

INDIANA GAMING COMMISSION

2007



ANNUAL REPORT

TO GOVERNOR MITCH DANIELS

Ernest Yelton
Executive Director

THE INDIANA GAMING COMMISSION



William Barrett (Chair) of Greenwood is an attorney and a partner in the law firm of Williams Hewitt Barrett & Wilkowski. He is a *cum laude* graduate of Indiana University School of Law and has clerked for the Indiana Court of Appeals, Judge John Baker and Tax Court Judge Tom Fisher. Commissioner Barrett also serves as litigation counsel for Johnson County. Mr. Barrett was appointed to the Commission in May 2006.



Tim Murphy (Vice-chair) of Fishers is the Chief Financial Officer for Irwin Mortgage Corporation (formerly Inland Mortgage Corporation), a subsidiary of The Irwin Financial Corporation. He is a 1973 graduate from Indiana University with a degree in accounting. Mr. Murphy was appointed to the Commission in December 2005.



Donald R. Vowels (Secretary) of Evansville is an attorney and a partner in the law firm of Bumb & Vowels, LLP. He is a graduate of the University of Southern Indiana and Ohio Northern University School of Law. He has served as a member of the Vanderburgh County Election Board and as the Court Administrator of Vanderburgh Superior Court. Mr. Vowels is an original Commission member and was appointed to the Commission in September 1993. He served as the Chair of the Commission from 1997 to 2005.



James T. Cummings Jr. of Indianapolis presently engages in residential and commercial real estate sales through his company, Cummings Real Estate, Inc. He earned his Bachelor of Science Degree in Business Administration from Indiana Central College (University of Indianapolis). Mr. Cummings is the founder of Indiana Black Expo and served as its Chairman and President from 1971 through 1973. Mr. Cummings was appointed to the Commission in March 2007.



Tom Swihart of Valparaiso is a Certified Public Accountant and has worked in the firm of Weichmann and Associates in Munster for the past 16 years. He graduated from Valparaiso University in 1968 with a degree in Business Administration. Mr. Swihart received a Masters degree in Public Administration and Urban Planning from Pepperdine University and an MBA in Accounting and Tax from Farleigh Dickinson University. Mr. Swihart was appointed to the Commission in July 2006.



Tim Walsh of Crown Point, is currently Director of Investor Relations for VARA Capital Management, LLC in Chicago, IL. He is also a limited partner of Walsh Financial Services. Mr. Walsh has an MBA from the Kellogg School of Northwestern University with concentrations in Finance and Accounting. Mr. Walsh was appointed to the Commission in October 2006.

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EXECUTIVE DIRECTOR'S REPORT

2007 once again brought additional responsibilities to the Indiana Gaming Commission; Charity Gaming, Slot parlors at Indiana's horseracing tracks and two new divisions to combat illegal gambling while our core activities of licensing and providing regulatory oversight of the state's 11 casinos provide continued challenges.



Ernest E. Yelton
Executive Director

GAMING AGENTS

The transfer of on-site enforcement officers from the Indiana State Police to our Gaming Enforcement Agents was completed in FY 2007. The final four classes graduated from the Indiana Law Enforcement Academy in July, August, November and lastly in February. We are authorized to employ a total of 121 gaming agents, 11 supervisors and 4 investigators. We have experienced a few vacancies since implementation but are adequately staffed on each boat. We will fill those open positions during our next academy for gaming agents which will be required for agents to monitor the slot parlors at the horseracing tracks.

TRANSFERS

The gaming industry has continued its recent history of acquisitions and mergers. As part of the purchase of Aztar Corporation, transfer of Casino Aztar in Evansville to Wimar Tahoe Corporation was approved by the Commission in November. Wimar, doing business as Columbia Entertainment, took over operation of the Evansville property in January. Two other transfers were announced and are still pending at the end of the fiscal year: Harrahs, which includes the Indiana properties of Horseshoe and Caesars, to private equity groups Apollo and Texas Pacific Group; and the transfer of Resorts East Chicago to Ameristar. Very recently, Fortress and Centerbridge, also private equity, announced the stock purchase of Penn National which operates Argosy in Lawrenceburg.

DISPARITY STUDY

As required by statute, the Commission conducted a disparity study for the purpose of determining appropriate goals for utilization of women – and minority – owned businesses. This study is the first industry specific one performed in the U.S. The results of the study are detailed in this report. However, new state guidelines may necessitate the Commission's re-examination of the goals next year.

ALTERNATE VESSEL CERTIFICATIONS

The Commission concluded a two year project of creating and approving alternate standards for Indiana's gaming vessels at its June meeting. Working with our vendor, ABS Consulting, with review by the United States Coast Guard and Indiana's Department of Homeland Security, the standards are designed to fill the void left after the Coast Guard informed the Commission that it would no longer supervise the design and structure of newly constructed vessels, nor would it issue Certificates of Inspection for them. With two new vessels currently under construction and the remaining vessels aging, the standards will serve as important tools in ensuring the continued operation of casinos in Indiana with priority given to promoting patron safety. Finally, the Coast Guard has informally provided notice that it may no longer service existing boats as soon as the end of 2008.

CAPITAL EXPENDITURES

Notable capital expenditures totaling nearly \$335 Million, not including gaming equipment purchases and general maintenance, in FY 2007 are as follows:

- Argosy spent \$35 million toward its \$310 million project that will include a new vessel, parking facility and related infrastructure.
- Belterra spent \$5.3 million for new retail facilities.
- Caesars spent \$30 million on upgrades to its vessel.
- Horseshoe spent \$121 million towards its \$485 million new vessel project; \$485,000 on an energy saving project that included a building automation system that controls mechanical equipment (chillers, boilers, and air handling units), as well as electric radiant heaters on the garage helix ramps and \$330,000 on renovations to the fourth level of their vessel.
- Finally, \$2.5 million was spent by Majestic Star on pavilion improvements, restaurant renovations and an entertainment venue.

Additionally, Blue Chip has announced its expansion of \$135 million hotel complex scheduled to be completed in early 2008.

FRENCH LICK

The French Lick Resort Casino, including the completely restored and renovated French Lick Springs Hotel, opened in November, followed by the opening of the spectacular West Baden Springs Hotel in May. In keeping with the vision of a destination resort, the Donald Ross Golf Course also opened in the spring, with a fully reconstructed clubhouse. An eighteen hole Pete Dye golf course is under construction and should be ready for play next year.

The partnership between the two entities that created, constructed and owned the project came to an end this year. On June 5, 2007, Lauth Resorts Casino LLC ("LRC") and Orange County Holdings, LLC ("OCH") entered into an agreement in which, among other things, LRC agreed to sell 100% of its ownership and other interests in Blue Sky to OCH and/or OCH's affiliates or designees. OCH subsequently assigned BSR OC Acquisitions, LLC ("BSR"), a newly created limited liability company, all of OCH's rights to acquire LRC's ownership interests in Blue Sky. BSR is owned by the Carl A. Cook trust, William A. Cook, Stephen L. Ferguson and Robert L. Santa. BSR acquired LRC's interests in Blue Sky by a cash transaction at a fixed price agreed to by LRC and OCH. After closing, Blue Sky Casino LLC remained the operating agent.

COMMISSIONERS AND STAFF

In FY 2007, we welcomed three new Commissioners aboard. Tim Walsh of Crown Point is currently Director of Investor Relations for Vara Capital Management, LLC, in Chicago. Tim is also a limited partner of Walsh Financial Services. Tom Swihart of Valparaiso is a Certified Public Accountant and has worked for the firm of Weichmann and Associates in Munster for the past sixteen years. Jim Cummings of Indianapolis is a realtor with his company, Cummings Real Estate, Inc., and a founder of Indiana Black Expo.

There were also several staff changes. Superintendent of Gaming Agents, Kevin Mahan, elected to accept employment in the private sector, and Director of Charity Gaming, Mark Mitchell, transferred to the Office of the Inspector General.

Marian Coffey was hired as our receptionist upon the retirement of Norman Jones. In the legal division, Ron McClain was hired into a newly created attorney position, and Kesha Rich was promoted from secretary to Occupational License Coordinator upon departure of longtime IGC employee Michelle Marsden. Matt Shouse was promoted from intermittent employee to secretary. In Charity Gaming, Diana Toth and Larry Delaney were hired as field auditors, Victoria Hayworth was hired as secretary and later promoted to Program Coordinator, and Kim Barnett was promoted from Program Coordinator to Administrative Assistant. Finally, Janette Thomas was hired as a secretary.

Jayne Via was hired to replace Janeen Morley in the Audit division, and Sherry Green was promoted from Enforcement Division secretary to Personnel Officer. In the Background Investigations Unit, Jill Clouse was hired to replace Ann Popcheff.

EAST CHICAGO LITIGATION

In the final hours of the 2007 Indiana legislative session, an obscure provision relating to casino revenue sharing for local economic development in East Chicago was placed into Section 302 of House Bill 1001, commonly known as the “Budget Bill.” Under the provision, upon a transfer of a controlling interest in the East Chicago Riverboat license, the fiscal body of the City would purportedly be authorized to void any term of an existing development agreement between the City and the party transferring the interest. The fiscal body would also be empowered to unilaterally redirect contractual payments to itself.

Although neither the merits nor legality of Section 302 were specifically debated by the legislature, Section 302 became law upon passage of the budget. Shortly after passage of the bill, the Foundations of East Chicago, Inc. (the successor by merger to two nonprofit foundations slated to receive revenue sharing payments under the existing development agreement) filed suit in Marion Superior Court seeking a declaratory judgment and injunctive relief on grounds that Section 302 violates the United States Constitution and the Indiana Constitution. The Indiana Gaming Commission was named as a party defendant in that action. Upon motion of the City of East Chicago, the lawsuit was removed to federal court. Subsequently, the Foundations successfully obtained an order remanding it to State court where it is currently pending.

LEGISLATIVE ACTIONS

Through the passage of House Bill 1835, the two existing horseracing facilities, Hoosier Park in Anderson and Indiana Downs in Shelbyville, were given the opportunity to operate slot machine parlors, commonly referred to as “racinos” in the gaming industry. The legislation requires each to pay a total fee of \$250 million over two years, spend a minimum of \$100 million in initial capital expenditures and limits the initial number of electronic gaming devices to 2000. The racinos are presently scheduled to open as early as mid-2008. The Commission is responsible for the licensing and regulatory oversight of the casino portions of the tracks.

House Bill 1510 was introduced at the request of the Commission to address technical changes in the Charity Gaming legislation passed in 2006 and to seek clarification from the General Assembly regarding the types of allowable events in Indiana. This legislation, as passed, made numerous changes in Charity Gaming laws. In addition, the Governor and both chambers concluded that Indiana needed an organized and concerted effort to combat illegal gambling. Thus, 1510 created two new divisions under the Commission’s jurisdiction. The first is the Gaming Control officers who possess full law enforcement powers but will be assigned with an original focus on illegal slot machines commonly referred to as “Cherry Masters”. Col. Larry Rollins, formerly with the Indiana State Police, accepted the responsibilities as Director of the Division and is currently recruiting, hiring and training an additional fifteen officers. The second division is that of License Control Counselor. Upon determination of a gambling law violation, the Counselor will be empowered to prosecute a regulatory action seeking to revoke a Charity Gaming license, retail merchant’s sales certificate, an alcohol license or a tobacco sales permit. Jeff Gill, Executive Director of Indiana’s Executive Branch Lobbying, has agreed to assume the position.

Finally, Senate Bill 128 was requested by the IGC, ATC and DNR in order to modernize the state Excise Police, Gaming Agent and Conservation Enforcement Officers Retirement Fund. Under the legislation, employees’ contributions were raised from 3% of the first \$8,500 of salary to 4% of the total salary in exchange for increased benefits.

FY 2008 promises to provide the Indiana Gaming Commission with expanded responsibilities and duties. It is our pledge, however, to remain loyal to our primary mission of assuring the citizens of Indiana that gaming in our state will be conducted legally within the strict letter of the law and with unquestioned integrity.

Respectfully Submitted,

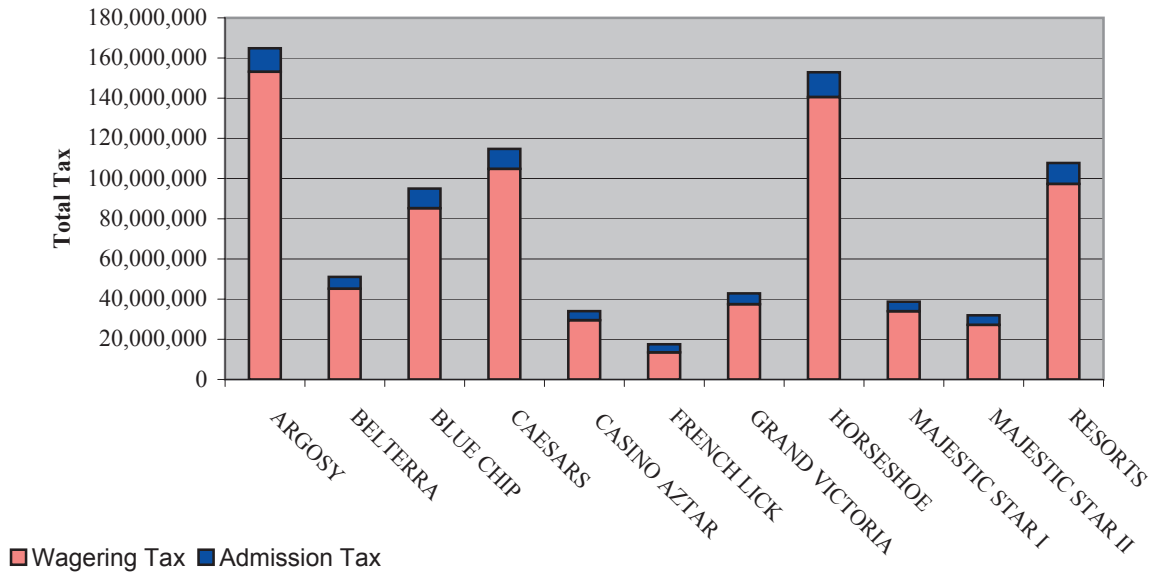
A handwritten signature in black ink, appearing to read "Rust E. Feltor". The signature is fluid and cursive, with a long horizontal stroke at the end.

FY 2007 TAX OVERVIEW

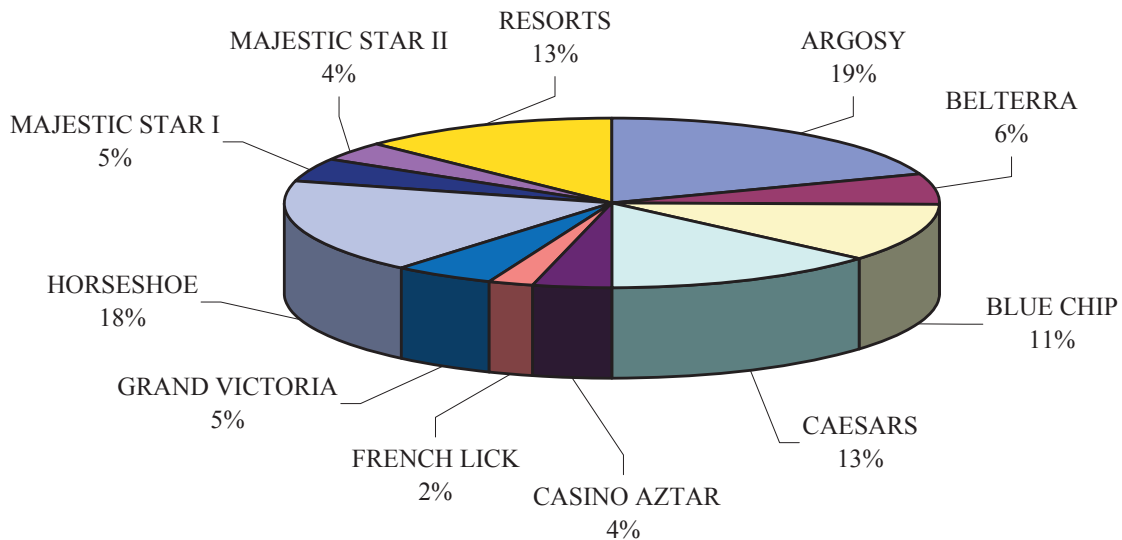
In FY 2007, riverboat gaming operations in Indiana generated \$767,863,554 in wagering tax, and \$83,617,133 in admission tax, for a tax total of \$851,480,687.

FY 2007	Win	Wagering Tax	Admission Tax	Total Tax
Argosy	\$480,655,921	\$153,171,412	\$11,711,655	\$164,883,067
Belterra	\$171,928,620	\$45,158,983	\$5,899,989	\$51,058,972
Blue Chip	\$267,254,458	\$85,188,799	\$9,853,938	\$95,042,737
Caesars	\$341,020,147	\$104,849,844	\$9,959,031	\$114,808,875
Casino Aztar	\$123,451,731	\$29,479,589	\$4,492,467	\$33,972,056
French Lick	\$110,920,428	\$13,493,576	\$4,020,488	\$17,514,064
Grand Victoria	\$149,924,858	\$37,446,789	\$5,393,811	\$42,840,600
Horseshoe	\$444,320,933	\$140,596,714	\$12,354,255	\$152,950,969
Majestic Star I	\$138,112,435	\$33,944,598	\$4,749,774	\$38,694,372
Majestic Star II	\$115,111,365	\$27,178,788	\$4,749,774	\$31,928,562
Resorts	\$321,254,597	\$97,354,462	\$10,431,951	\$107,786,413
Totals	\$2,663,955,493	\$767,863,554	\$83,617,133	\$851,480,687

2007 TOTAL TAXES PER RIVERBOAT



2007 TAX CONTRIBUTION TO TOTAL



FY 2007 TAX COMPARISON

The following charts compare Indiana's gaming tax revenues to those of other states.

FY 2007	AGR	Total Tax	Effective Tax Rate
Nevada	\$12,739,130,575	\$1,035,456,279	8.1%
Indiana	\$2,642,350,836	\$851,480,687	32.2%
Illinois	\$1,923,528,409	\$830,239,764	43.2%
New Jersey	\$5,166,566,000	\$444,324,676	8.6%
Missouri	\$1,465,658,073	\$387,170,073	26.4%
Louisiana	\$1,781,964,944	\$383,122,463	21.5%
Mississippi	\$2,808,924,601	\$332,285,489	11.8%
Iowa	\$860,076,528	\$175,235,736	20.4%

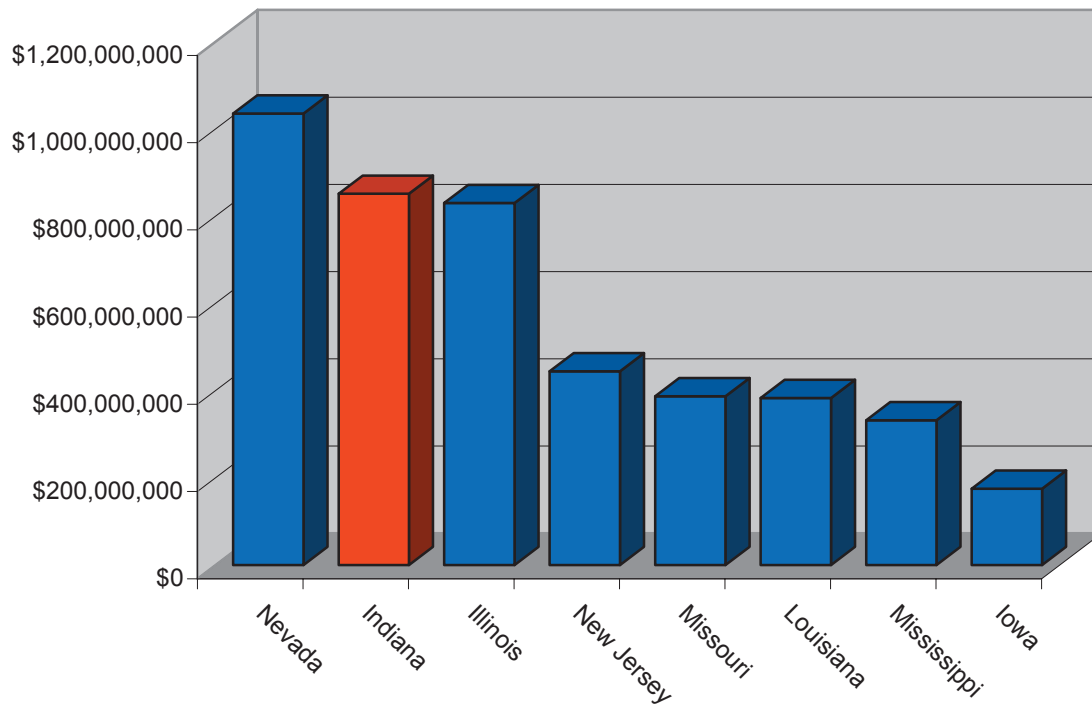
Notes: (1) Nevada tax total includes roughly \$200M in fees, including entertainment fees, lodging fees, slot fees, table fees, and others that are in addition to a percentage Wagering Tax.

(2) Effective tax rates reflect IGC calculations derived from AGR figures and total tax numbers.

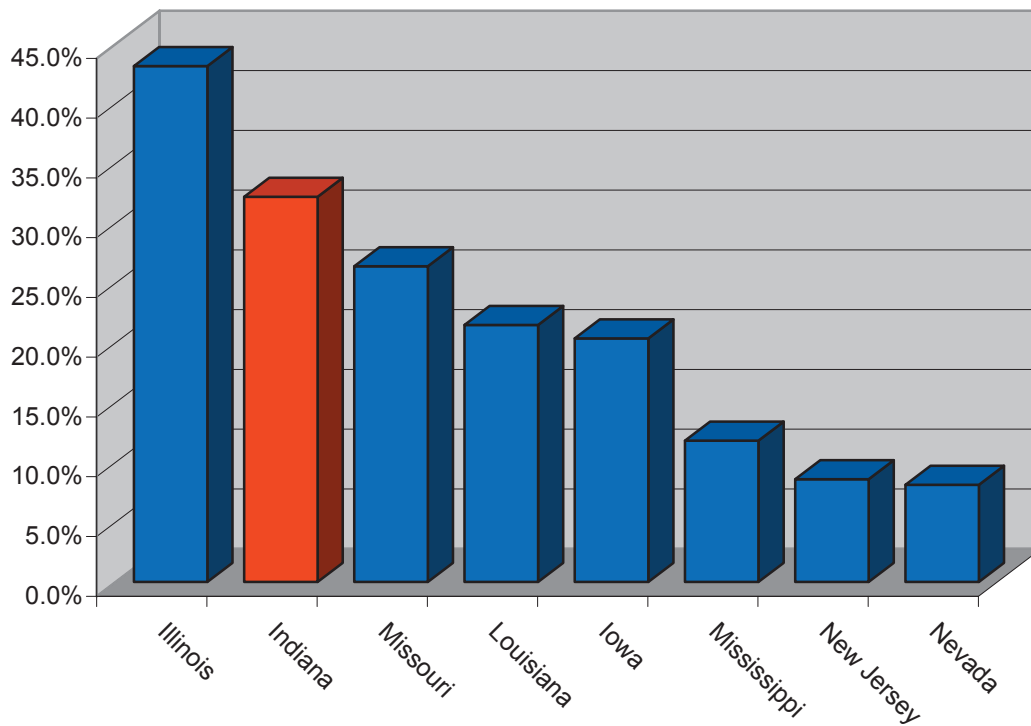
(3) The calculation of wagering tax is based upon AGR, which include adjustments such as chip and token float not included in win figures.

All other figures are the best available, and are based upon IGC calculations drawn from Annual Reports and/or Monthly Revenue Reports when available.

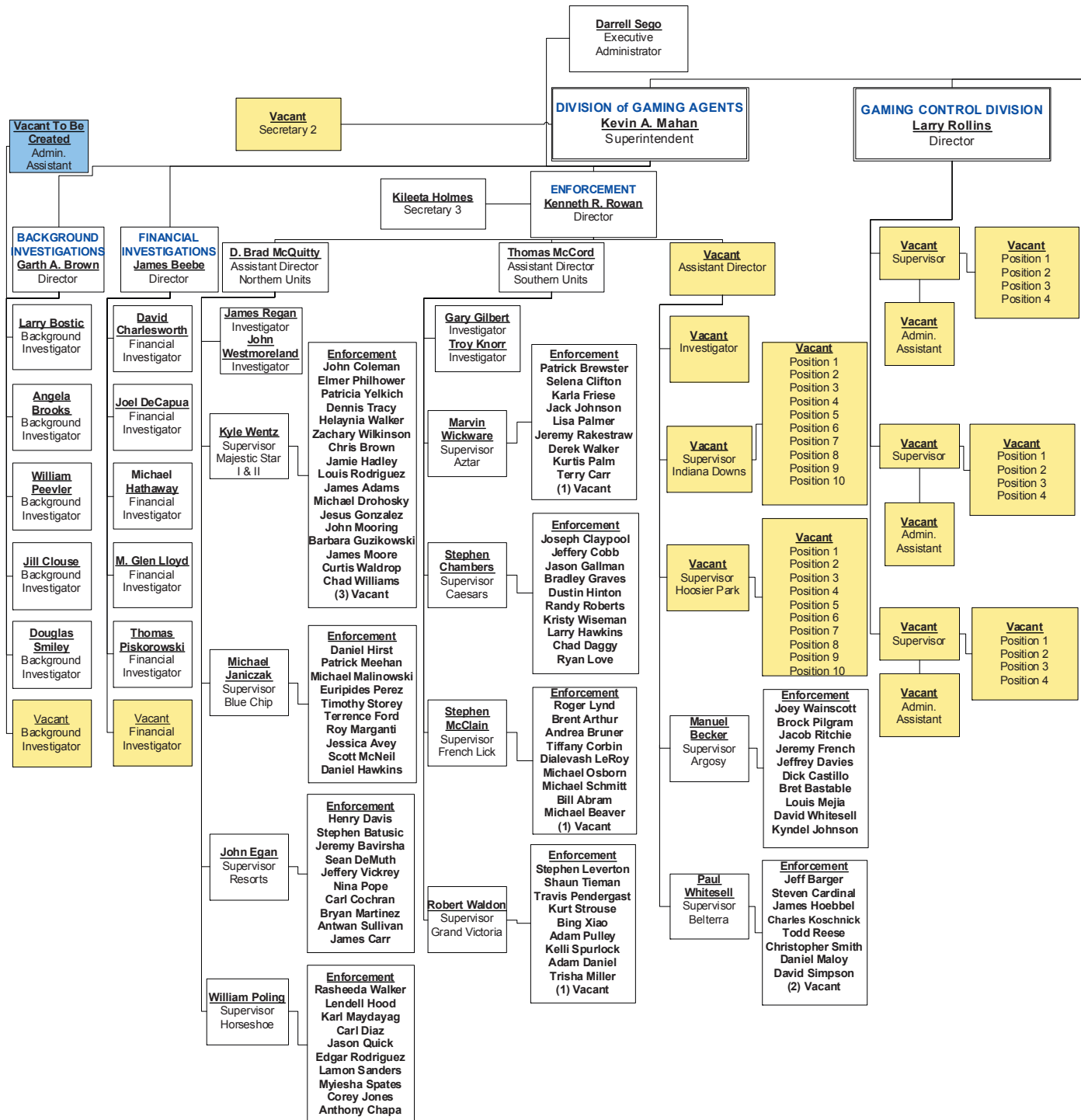
State Gaming Tax Revenues for FY 2007

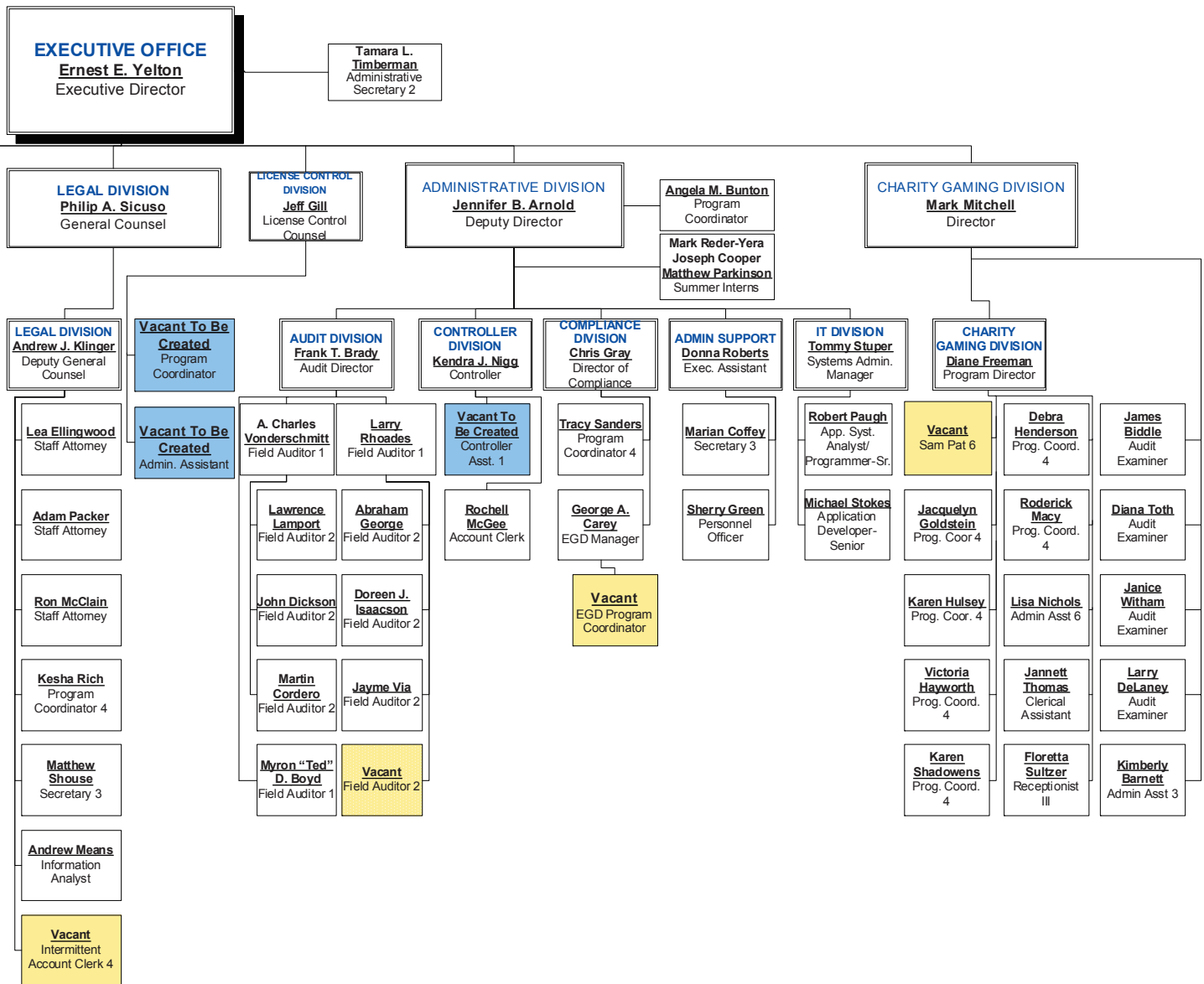


State Effective Gaming Tax Rates for FY 2007



ORGANIZATIONAL CHART





TOTAL FILLED POSITIONS: 186

TOTAL VACANCIES: 60

VOLUNTARY EXCLUSION PROGRAM

The Voluntary Exclusion Program (VEP) allows individuals who recognize their gambling problem to self-exclude from Indiana casinos.



Angela Bunton
VEP Coordinator

The primary goal of the Voluntary Exclusion Program is to address problem gambling in Indiana. The VEP allows individuals who recognize their gambling problem to self-exclude from Indiana casinos.

Purpose

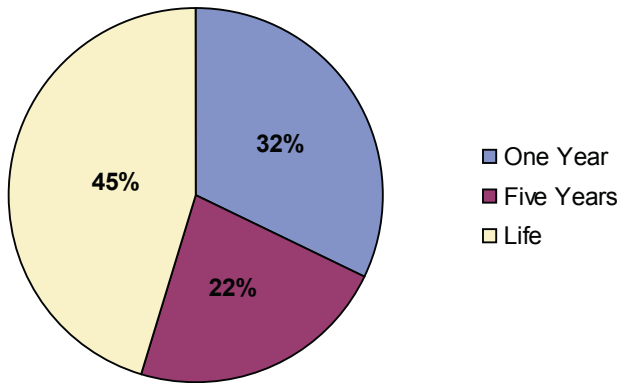
The IGC has administered the Voluntary Exclusion Program since its inception in 2003. Individuals wishing to exclude themselves from Indiana's casinos can do so in person at the IGC office in Indianapolis or at any Indiana casino. In order to qualify, the interested individual must fill out the Request for Voluntary Exclusion form in the presence of a gaming agent or an IGC staff member. The request form must be completed voluntarily, while not under the influence of alcohol, controlled substances, or prescription medication. The individual may elect exclusion for one year, five years, or life. The form and the identity of the applicant remain confidential. It is the participant's responsibility to avoid gambling.

Removal

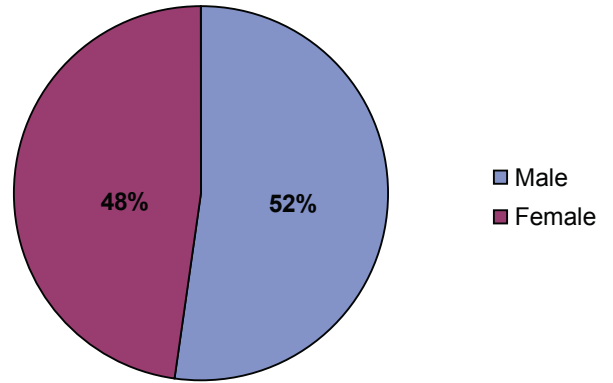
A person electing the one-year or five-year exclusion option may request to be removed from the program at the end of the exclusion period. Participants wishing to be removed must complete a Removal form in the presence of a gaming agent or an IGC staff member. Upon IGC approval, the participant will be removed from the exclusion list.

VEP STATISTICS

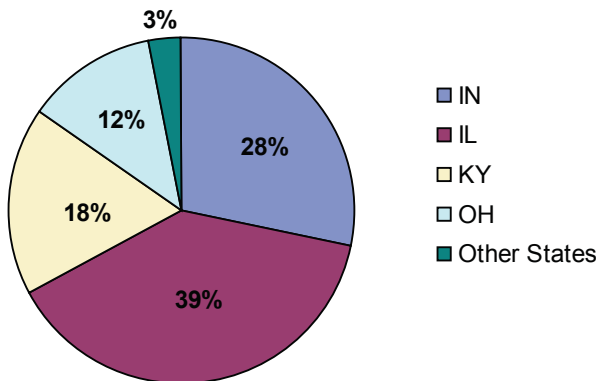
Exclusion Length Summary



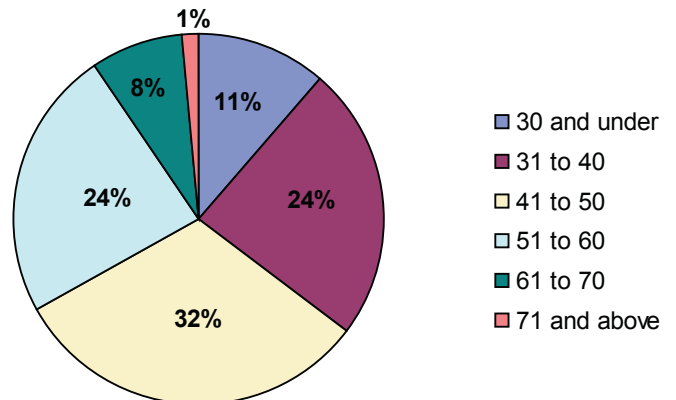
Gender Summary



State Summary



Age Summary



MBE/WBE UTILIZATION

The Riverboat Gambling Act encourages the use of minority and women's business enterprises.



Jenny Arnold
Deputy Director

Minority and Women Business Enterprise Issues

The Riverboat Gambling Act contains provisions regarding the use of minority business enterprises (MBE) and women's business enterprises (WBE) in the riverboat industry. Only purchases made from certified MBEs and WBEs may be counted toward credit for statutory compliance. The Department of Administration's Minority and Women's Business Enterprise Division is the agency responsible for certification of MBEs, WBEs, and disadvantaged business enterprises. The riverboats are required to file a report with the IGC in January of each year containing a summary of expenditures made in the previous calendar year. Within these reports, each riverboat details the amount of its overall expenditures paid to certified MBEs and WBEs. They also file quarterly reports.

The Center for Urban Policy and the Environment recently completed a statistical study on behalf of the IGC. The study details the disparity between the percentage of total purchases that are made from certified MBEs and WBEs and the capacity of those companies to provide goods and services to Indiana casinos. The IGC is scheduled to establish MBE and WBE utilization goals by September of 2007. The table displays the MBE and WBE utilization percentages for 2006.

DISPARITY STUDY

Total	Construction	Nonprofessional	Procurement	Professional	Overall Utilization
MBE	12.18%	14.57%	16.25%	1.65%	13.41%
WBE	2.79%	6.25%	13.91%	17.15%	10.64%

Argosy	Construction	Nonprofessional	Procurement	Professional	Overall Utilization
MBE	4.68%	4.85%	24.48%	0.00%	11.70%
WBE	4.71%	1.69%	17.91%	0.00%	7.94%

Belterra	Construction	Nonprofessional	Procurement	Professional	Overall Utilization
MBE	0.84%	13.70%	13.42%	0.00%	12.20%
WBE	20.89%	13.09%	9.99%	0.00%	11.93%

Blue Chip	Construction	Nonprofessional	Procurement	Professional	Overall Utilization
MBE	11.69%	13.29%	14.35%	0.00%	11.49%
WBE	0.60%	2.05%	17.71%	7.00%	7.85%

Caesars	Construction	Nonprofessional	Procurement	Professional	Overall Utilization
MBE	9.01%	19.19%	21.47%	0.68%	16.29%
WBE	5.36%	0.75%	10.03%	4.78%	8.08%

Casino Aztar	Construction	Nonprofessional	Procurement	Professional	Overall Utilization
MBE	2.48%	0.00%	16.13%	0.00%	8.54%
WBE	3.64%	0.25%	14.11%	0.00%	8.19%

French Lick	Construction	Nonprofessional	Procurement	Professional	Overall Utilization
MBE	21.87%	0.00%	5.53%	0.00%	13.64%
WBE	1.99%	8.77%	9.29%	24.39%	6.48%

Grand Victoria	Construction	Nonprofessional	Procurement	Professional	Overall Utilization
MBE	0.00%	0.00%	11.08%	12.13%	11.26%
WBE	100.00%	0.00%	4.76%	10.37%	5.85%

Horseshoe	Construction	Nonprofessional	Procurement	Professional	Overall Utilization
MBE	13.45%	53.01%	20.14%	0.32%	26.44%
WBE	0.00%	15.77%	25.66%	0.00%	22.41%

Majestic Star I & II*	Construction	Nonprofessional	Procurement	Professional	Overall Utilization
MBE	0.24%	16.94%	26.40%	3.60%	17.57%
WBE	31.00%	7.48%	8.75%	1.28%	8.10%

Resorts	Construction	Nonprofessional	Procurement	Professional	Overall Utilization
MBE	0.00%	3.70%	8.66%	0.00%	5.83%
WBE	0.00%	0.00%	9.33%	69.64%	22.19%

* Majestic Star I & II submit MBE/WBE reports jointly.

INFORMATION TECHNOLOGY

The IT staff assists with the technological needs of the Indiana Gaming Commission.



Tom S. Stuper
Systems Administration Manager



Robert Paugh
*Application System Analyst/
Programmer Sr.*



Michael Stokes
Application Developer Sr.

In FY 2007, the Information Technology Division played a significant role in various IGC projects. IT completed the development and implementation of the Purchasing Tracking System, which allows the Indiana casinos to quickly and efficiently submit data to the IGC about their MBE/WBE transactions. In turn, this information is being used by the IGC and consultants as a central component of the five year disparity study.

New computer systems and hardware were installed at French Lick. The IT division was actively involved in this process and in the necessary training of software users. Similarly, the new Gaming Agent Division also required fresh hardware and training in the Occupational License (OCCLIC) and Electronic Gaming Device System (EGDS) programs.

IT also had the responsibility of handling in-house computer needs. The Charity Gaming Division's transition to the IGC meant that their applications had to be updated to run on the servers provided by the Indiana Office of Technology. The IT Division provided additional assistance through the implementation of various upgrades to help track charity gaming licenses.

Audit Division

The Audit Division examines daily tax filings, approves internal controls, and audits the casinos for compliance.

FY 2007 proved to be a busy one for the Audit Division. With the opening of the new French Lick in Orange County, the Audit Division tackled an increased workload to accompany its already busy schedule. Staff members spent almost three weeks working to approve procedures and internal controls at the new casino.

As standard procedure, each of the 11 Indiana casinos must file a daily tax return. IGC auditors coordinate with the Department of Revenue (DOR) to ensure that each casino's daily tax payment is accurate and timely. The casinos sent tax payments to the DOR, which then reports these amounts to the IGC. IGC auditors then audit each tax filing. They also send reports to the IGC at the end of each month detailing all fiscal activity that occurred during that month. The Audit Division reviews these reports, checking for discrepancies between the daily and monthly figures.

The Audit Division also performs unannounced program audits on each of the Indiana casinos. During an unannounced program audit, auditors travel to a casino and check all departments within that casino for compliance. Program audits usually take a week to complete. If discrepancies are found, IGC auditors perform a follow-up audit within 90 days to ensure that the casino made the necessary changes to guarantee compliance with state regulations for casino operations.

Finally, the Audit Division publishes a monthly revenue report that details the casino revenues and tax money generated through admission and wagering. The monthly reports are open to the public and can be accessed at the IGC website.



Frank T. Brady
Audit Director



A. Charles Vonderschmitt
Lead Auditor



Larry C. Rhoades
Lead Auditor

COMPLIANCE DIVISION

The Compliance Division monitors the activities of the Indiana casinos to be sure they are in compliance with Indiana statutes and regulations.



Chris Gray
Director of Compliance

Composition

The Compliance Division, comprised of the Director of Compliance, the Promotions/Compliance Coordinator, and the Electronic Gaming Devices (EGD) Compliance Manager. Compliance is responsible for the regulation of promotions, EGDs and the direction of the Compliance Committee.

The Compliance Committee contains all the members of the Compliance Division, as well as select representatives from the Audit and Legal Divisions and the Division of Gaming Agents. The Committee meets regularly with the goal of optimizing the efficiency and effectiveness of the regulatory process.

Committee Activities

During FY 2007 the Committee made recommendations on all pending regulatory waivers and violations. During this time, the Committee issued 145 recommendations covering issues such as rule waiver requests and rule changes, as well as policy directives and disciplinary actions against riverboat licensees.

As part of an ongoing process, the Committee continues to review administrative rules with the purpose of eliminating redundancies and conforming rules to changing industry technology. The Committee continues to streamline the regulation of riverboat gambling in the state by establishing consistent fine structures and regulatory procedures.

Electronic Gaming Devices

FY 2007 was the second year that the Compliance Division was responsible for oversight of the Electronic Gaming Device System (EGDS). The EGDS contains a catalog of all approved Electronic Programmable Read-Only Memory (EPROM) chips along with associated hardware and software. The Compliance staff also monitors the movement, purchase, and sale of EGDs, ensuring that only authorized parties are involved in the process.

The Compliance staff stays in frequent contact with EGD manufacturers and casino gaming labs to ensure that the IGC is always aware of the latest technologies in electronic gaming. Through communications with these parties, as well as EGD managers at the casinos and the Gaming Enforcement Division, the Compliance Division ensures all EGDs are in compliance at Indiana's casinos.



George Carey
EGD Manager

Promotions

In order to maintain the integrity of riverboat gaming in Indiana, all promotional activities conducted by riverboat licensees are subject to review by the IGC.

All gaming related promotional activities, such as any tournament involving EGDs, tournaments, or table games, must be approved by the Promotions/Compliance Coordinator. Any non-gaming related promotional activities, such as concerts, giveaways, or parties, need only be stamped as reviewed by the Promotions Coordinator.



Tracy Sanders
Promotions/Compliance Coordinator

In FY 2007, the IGC received 1,012 submissions. Of those, 999 resulted in a favorable review by the IGC staff.

Non-Gaming Related (Reviewed)	824
Gaming Related (Approved)	175
Pending	9
Disapproved	4

LEGAL DIVISION

The division acts on behalf of the Executive Director and the Commission with regard to a number of legal-related tasks such as licensing of casino employees and casino-affiliated companies, conducting waiver hearings, maintaining the exclusion list, reviewing new game proposals, pursuing disciplinary actions, and proposing new or revised rules that govern the gaming industry in Indiana.



Phil Sicuso
General Counsel

The Legal Division's support functions include defending the agency in employment disputes, monitoring and managing the defense of the agency in litigation, negotiating and executing agency contracts and memoranda of understanding, handling ethics issues, and drafting resolutions and orders for Commission business meetings. Commission attorneys also research time sensitive issues regarding legislation, regulation, and licensing as necessary.

Litigation

The Legal Division monitored and managed a number of ongoing litigation concerns in FY2007 in coordination with the Office of the Attorney General and outside counsel. Two legal actions were concluded in the past year. In a Dearborn County quiet title action, the court dismissed the case against the State (including the IGC) on the State's motion. A judicial review action brought by the City of East Chicago against the Commission in Lake County was voluntarily dismissed. Issues surrounding the East Chicago license and the casino's Local Development Agreement with the City of East Chicago remain in litigation in Marion County Superior Court and the Indiana Court of Appeals.



Andrew Klinger
Deputy General Counsel

Occupational Licensing

- Temporary Licenses issued: 4,653
- Permanent Licenses issued: 3,686
- License Renewals: 8,984
- License Denials: 5
- Waivers Granted: 7
- Disciplinary Actions: None
- Settlements in Lieu of Disciplinary Action: 20
- Reinstatement of License: 1

In FY 2007, the Legal Division helped oversee the initial staffing and opening of French Lick. This new casino alone resulted in over 1,000 new occupational license applications during the fiscal year.

Supplier Licensing

- Permanent Supplier Licenses granted: 2
- Renewal of Supplier Licenses granted: 24
- Expired Supplier Licenses: 1
- Transfers of Ownership: None

Internet Gambling Task Force

The Legal Division continued its participation on the Internet Gambling Task Force, specifically sharing ideas and resources regarding the legality and viability of internet gambling in various North American jurisdictions. New federal legislation banning the financial transactions that underpin most internet gambling in the United States has been a prominent topic of discussion for the task force.



Lea Ellingwood
Attorney



Adam Packer
Attorney



Ron McClain
Attorney



Kesha Rich
License Coordinator



Matthew Shouse
Legal Secretary

Rules

The legal staff continued to review the Commission's regulations, update rules to reflect shifting policies, new technologies, and changing industry standards. In FY 2007, the Commission amended weapons restrictions at riverboat casinos, allowing express companies to access Indiana casinos with armed security guards. The general ban against weapons remains in place. The Commission also amended regulations to address the transfer of enforcement functions at Indiana casinos from the Indiana State Police to the Commission's Gaming Agents.

In response to the transfer of regulatory authority over charity gaming functions from the Department of Revenue to the Commission in FY 2007, the legal staff prepared and the Commission adopted new regulations governing charity gaming in Indiana. The regulations were designed to conform to changes in the statute and to reflect the change in administration of charity gaming functions.

Finally, the Commission adopted an emergency rule that provides procedures by which the Commission may remove an excluded person from the exclusion list. The legal staff has begun formally promulgating permanent rule changes on exclusion-related issues.

Public Records

In FY 2007 the Legal Division hired an information analyst. The information analyst serves as the gatekeeper for all public records requests submitted to the IGC and ensures that they are responded to in an expeditious manner. The information analyst also works closely with the Legal Division to identify, locate, and prepare responsive documents for their release, while withholding information that is confidential pursuant to the Access to Public Records Act.

Furthermore, the information analyst works to eliminate superfluous documents to produce a more efficient and productive office. As part of this endeavor, the information analyst works with the agency to create a comprehensive agency-specific retention schedule as well as an electronic document management system to further eliminate an abundance of paper in the agency and its satellite offices.



Andrew Means
Information Analyst

DIVISION OF GAMING AGENTS

The Division of Gaming Agents is responsible for enforcing regulatory and criminal statutes connected with the operation of Indiana casinos.



Kevin Mahan
Superintendent, Division of Gaming Agents



Ken Rowan
Enforcement Director

In 2005, the Indiana General Assembly mandated changes to the structure of the IGC's investigative and enforcement code. Duties that previously were carried out by the Indiana State Police are now handled by Gaming Enforcement Agents. As of March 17, 2007, the Gaming Enforcement Agents have control of all 11 casinos and the Division is responsible for all investigations related to the operation of the casinos. Five recruit classes have completed training, including three classes in FY 2007. The IGC now employs 128 Gaming Enforcement Agents and 10 investigators, as well as the four Division directors. The Division of Gaming Agents is broken down into two sections: investigation and enforcement.

Enforcement

The main responsibility of the Gaming Enforcement Agents is to ensure casino gaming is conducted in strict compliance with the laws and regulations of Indiana. The Enforcement section consists of 128 Gaming Enforcement Agents who are responsible for investigating gaming crimes and regulatory issues, as well as criminal investigations. In the regulatory aspect, they obtain advanced knowledge of the internal controls of their assigned casino. They also conduct thorough testing of electronic gaming devices and other gaming equipment at the casino. In the criminal aspect, the agents are required to perform general police duties at their assigned casinos.

Enforcement (cont'd)

As of March 17, 2007 the gaming agents have taken over the enforcement duties for the Indiana State Police at all eleven Indiana casinos. The specialized training they received allows the Agents to use their expertise to detect and investigate gaming crimes. They serve as the on-site regulatory staff for the Indiana Gaming Commission, ensuring that casino gaming operations comply with Indiana law, Commission regulations, and casino specific internal controls.

Investigation

FY 2007 was the first full fiscal year for the Investigation Section of the Division of Gaming Agents. The two directors of the section, James Beebe and Garth Brown, and the ten investigators are responsible for several significant tasks. In FY 2007, the section completed a total of 252 investigations. The investigations included Level I employees, eight supplier company investigations, as well as reinvestigations for Horseshoe, Caesars, Majestic Star I, and Majestic Star II casinos. The section also investigated Columbia Sussex's purchase of Casino Aztar in Evansville.

Like most Divisions in the IGC, the Division of Gaming Agents saw an increased workload with the debut of the French Lick Casino. All key employees and personnel for the casino were investigated and interviewed. During FY 2007, the Investigation Section also re-wrote the license applications for the three levels of licensure.

The IGC receives reimbursement from applicants for hours spent working on their investigations. In FY 2007 a total of 12,016 investigative hours were logged, and the billable rate was 75.2% of time worked.



James Beebe
Director of Financial Investigations



Garth Brown
Director of Background Investigations

Charity Gaming Division

Indiana Code 4-32.2 allows bona fide religious, educational, senior citizens, veterans or civic organizations, and political organizations to conduct charitable gaming.



Mark Mitchell
Director of Charity Gaming

In July 2006, pursuant to House Enrolled Act 100, the General Assembly passed legislation transferring oversight of charity gaming from the Indiana Department of Revenue to the Indiana Gaming Commission. The new statute gave the IGC the sole authority to license and monitor charity gaming and to enforce the charity gaming act. The reassignment of charity gaming oversight also included the transfer of 14 staff positions. Since the transition, the Commission created two full-time permanent clerical positions which were needed to support the seven analysts, filled a vacant field investigator position, and created an Administrative Assistant 3 position. The IGC has also substantially overhauled charity gaming regulations governing charity gaming; those regulations were adopted and went into effect on June 29, 2007.



Diane Freeman
Assistant Director of Charity Gaming

The Charity Gaming Act prohibits any entity other than an organization that has been determined by the IGC to be a qualified organization from conducting an allowable event. Qualified organizations include bona fide political organizations and state educational institutions, as well as bona fide religious, educational, senior citizens, veterans or civic organizations that: (a) are exempt from taxation under Section 501 of the Internal Revenue Code; (b) operate without profit to the organization's members; and (c) have been continuously in existence in Indiana for at least five (5) years or is affiliated with a parent organization that has been in existence in Indiana for at least five (5) years. An allowable event is an event such as a bingo, raffle, door prize, charity game night, festival, and the sale of pull tabs, punchboards, and tip boards, as well as any activity that the IGC designates as an allowable event, such as a rubber duck race.

To conduct an allowable event, a qualified organization must have received a license from the IGC unless the value of the prizes awarded at the event does not exceed \$1,000 for a single event or \$3,000 over the course of a calendar year. The IGC is also authorized to license manufacturers and distributors of equipment necessary to conduct allowable events, such as prize wheels and bingo equipment and supplies.

Currently, 2,498 organizations are qualified to conduct charity gaming in Indiana. Of that number, 226 of these organizations have been qualified since oversight of charity gaming was transferred. Sixty Five entities are licensed as either manufacturers or distributors. In FY 2007, the IGC issued 2,604 allowable event licenses. Applications for 444 non-licensed events were approved for the same period. In FY 2007, the IGC collected \$4,602,650 in gaming license fees and \$254,000 in manufacturer and distributor license fees.



Bingo event at Knights of Columbus, 1305 N. Delaware, Indianapolis.

REVENUES & EXPENDITURES

Fees

Occupational Licensing

Applications	\$796,778
Permanent/Renewal	\$499,750
Other (replacement badges)	\$5,370
Subtotal	\$1,301,898

Riverboat Licensing

Applications	\$0
Permanent/Renewal	\$50,000
Other - License Transfer	\$100,000
Subtotal	\$150,000

Supplier Licensing

Applications	\$10,000
Permanent/Renewal	\$125,000
Other - (transfer)	\$0
Subtotal	\$135,000

Charity Gaming*

Licensing	\$4,884,175
Penalties	\$31,700
Subtotal	\$4,915,875

Total Fees	\$6,502,773
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Fines

Riverboats	\$603,000
Suppliers	\$4,500
Voluntary Self Exclusion	\$63,431

Total Fines	\$670,931
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Expenditures

IGC Administration

Salary & Wages	\$1,934,164
Other Operating & Encumbrances	\$611,795
Subtotal	\$2,545,959

Background Investigations Unit

Salary & Wages	\$665,556
Other Operating & Encumbrances	\$217,416
Less Reimbursements	(\$347,729)
Subtotal	\$535,243

Charity Gaming Division

Salary/Wages	\$775,523
Other Operating & Encumbrance	\$301,770
Subtotal	\$1,077,293

Net Total Expenditures	\$4,158,495
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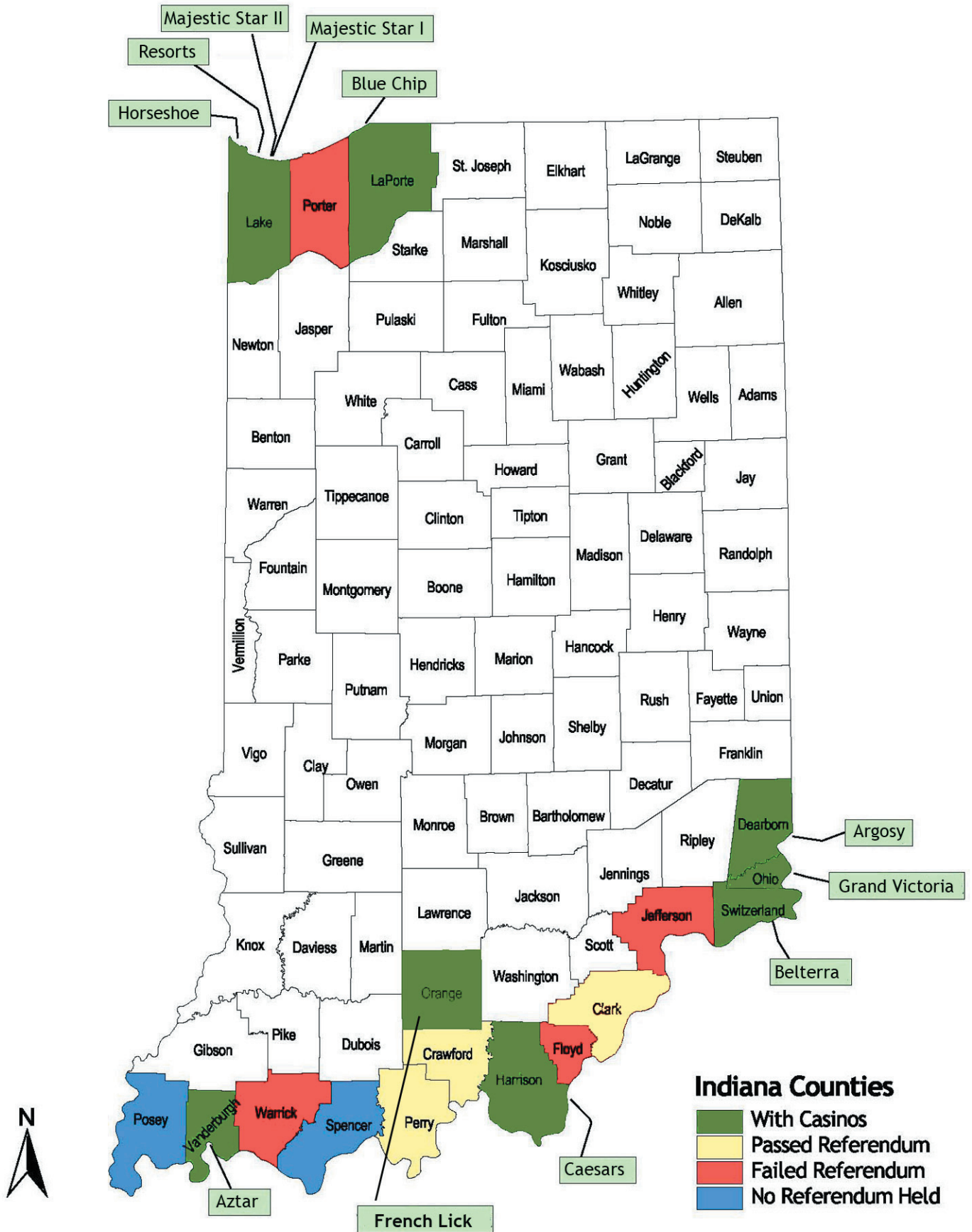
Expenditures and Reimbursements for Gaming Enforcement**

Salary & Wages - IGC Agents	\$6,827,599
Salary & Wages - ISP Agents	\$3,589,546
Operating & Encumbrance - IGC	\$929,403
Operating & Encumbrance - ISP	\$462,892

* Does not include Charity Gaming Excise Tax of \$1,428,736 collected by IDOR

** Fully reimbursed by the riverboat casinos ISP ceased gaming agent duties as of March 2007

INDIANA CASINO LOCATIONS



Property Summaries

Argosy

Larry Kinser
General Manager

777 Argosy Parkway
Lawrenceburg, IN 47025
(812) 539-8101

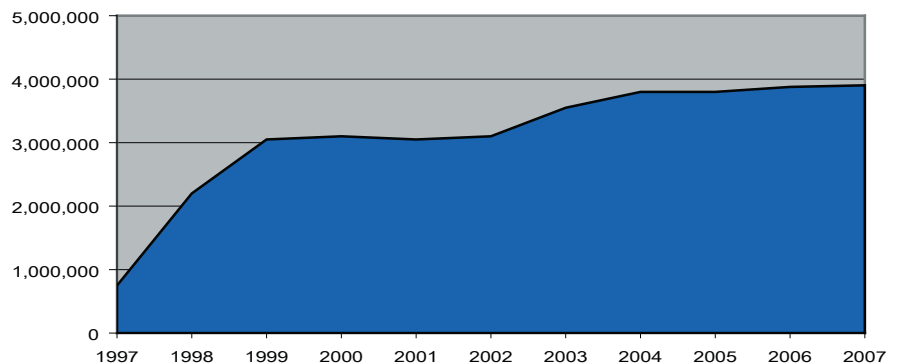
Date Opened: December 13, 1996
Gaming Space: 78,000 sq. ft.
Electronic Gaming Devices: 2,417
Table Games: 89
5 Restaurants
300 room Hotel
Banquet and Meeting Facilities

FY 2007 Admissions: 3,903,885
FY 2007 Total Taxes: \$164,883,067
FY 2007 Local Development
Agreement Payments: \$45,701,311

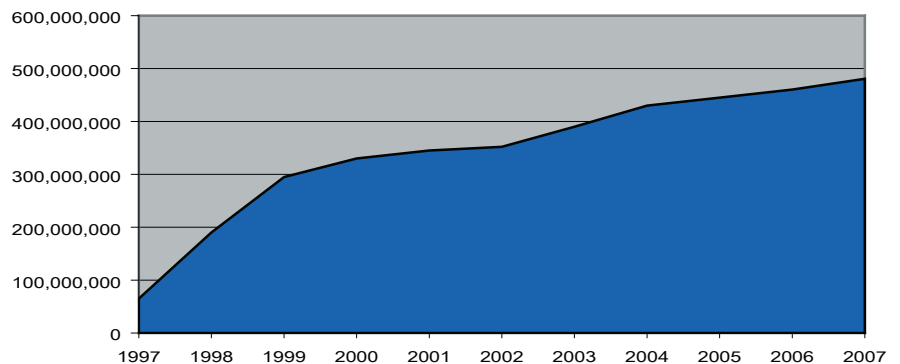
Total Employment: 1,992
Minority Employment: 7%
County Employment: 41%
Indiana Employment: 56%



Yearly Turnstile Admissions Since Inception (FY)



Yearly Win Since Inception in Dollars (FY)



Belterra

Kevin Kaufman
General Manager

777 Belterra Drive
Belterra, IN 47020
(812) 433-4001

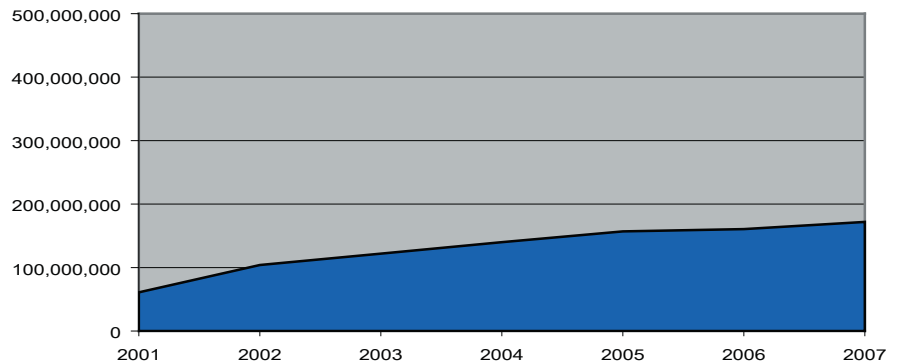
Date Opened: October 27, 2000
Gaming Space: 40,200 Sq. Ft.
Electronic Gaming Devices: 1,679
Table Games: 57
7 Restaurants
608 room Hotel
Convention Center
Championship Golf Course

FY 2007 Admissions: 1,966,663
FY 2007 Total Taxes: \$51,058,972
FY 2007 Local Development
Agreement Payments: \$1,752,816

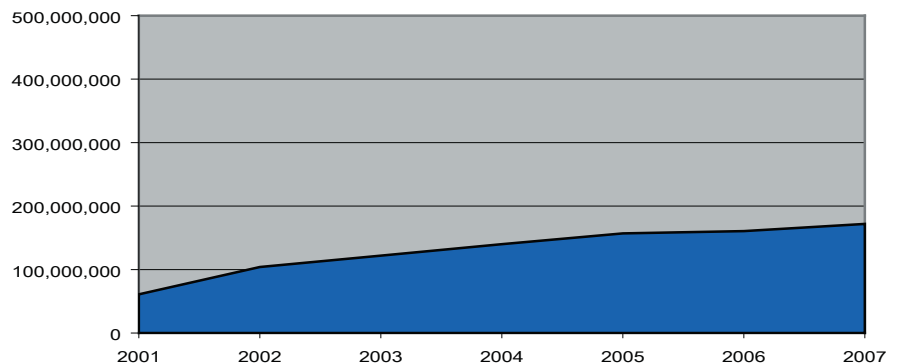
Total Employment: 1,155
Minority Employment: 9%
County Employment: 45%
Indiana Employment: 67%



Yearly Turnstile Admissions Since Inception (FY)



Yearly Win Since Inception in Dollars (FY)



Blue Chip

Ted Bogich
General Manager

2 Easy Street
Michigan City, IN 46360
(219) 879-7711

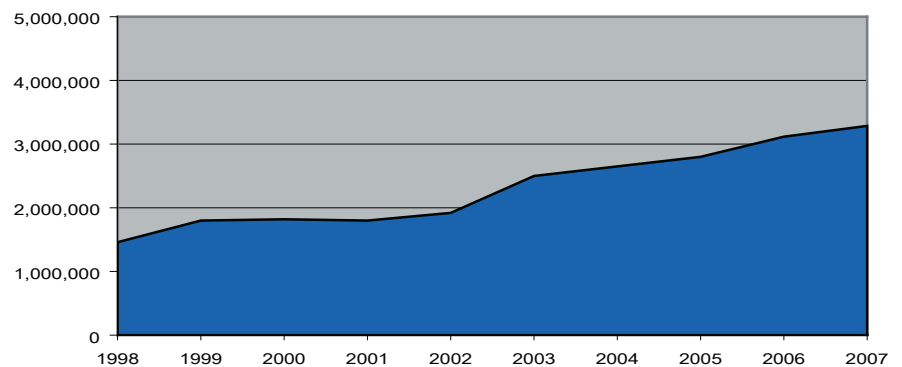
Date Opened: August 22, 1997
New Vessel: January 30, 2006
Gaming Space: 65,000 sq. ft.
Electronic Gaming Devices: 2,148
Table Games: 62
3 Restaurants
184 room Hotel

FY 2007 Admissions: 3,284,646
FY 2007 Total Taxes: \$95,042,737
FY 2007 Local Development
Agreement Payments: \$5,975,413

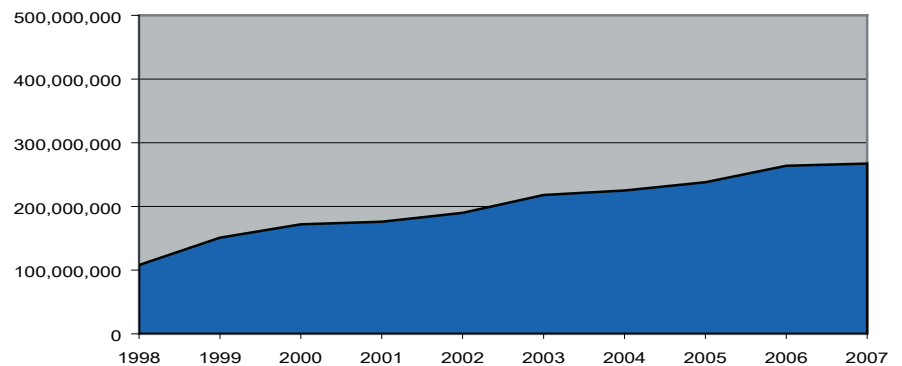
Total Employment: 1,269
Minority Employment: 24%
County Employment: 54%
Indiana Employment: 94%



Yearly Turnstile Admissions Since Inception (FY)



Yearly Win Since Inception in Dollars (FY)



Caesars Indiana

Ed Garruto
General Manager

11999 Avenue of the Emperors
Elizabeth, IN 47117
(812) 969-6726

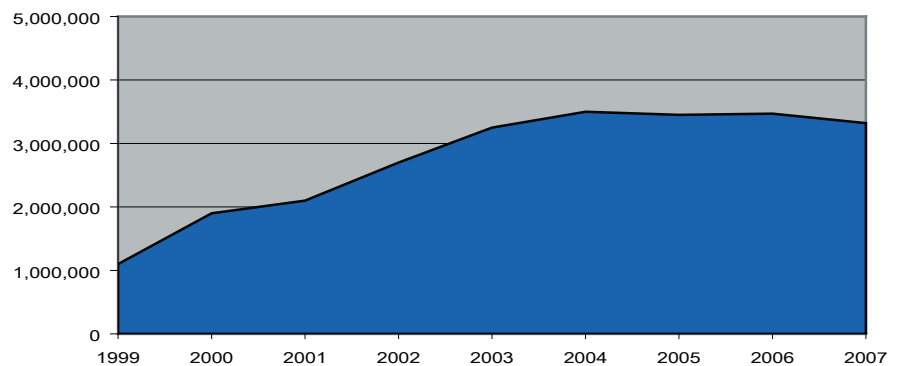
Date Opened: November 20, 1998
Gaming Space: 86,500 sq. ft.
Electronic Gaming Devices: 2,046
Table Games: 115
7 Restaurants
503 room Hotel
Conference Center
18-hole Championship Golf Course

FY 2007 Admissions: 3,319,677
FY 2007 Total Taxes: \$114,808,875
FY 2007 Local Development
Agreement Payments: \$19,999,857

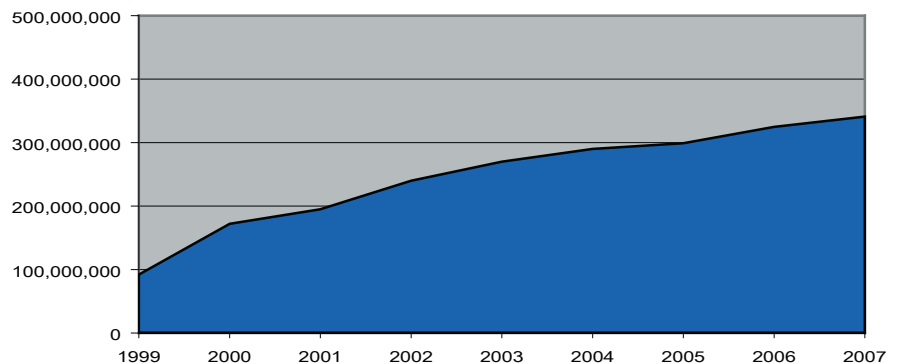
Total Employment: 2,056
Minority Employment: 15%
County Employment: 24%
Indiana Employment: 69%



Yearly Turnstile Admissions Since Inception (FY)



Yearly Win Since Inception in Dollars (FY)



Casino Aztar

Maureen Keenan
General Manager

421 NW Riverside Drive
Evansville, IN 47708
(812) 433-4001

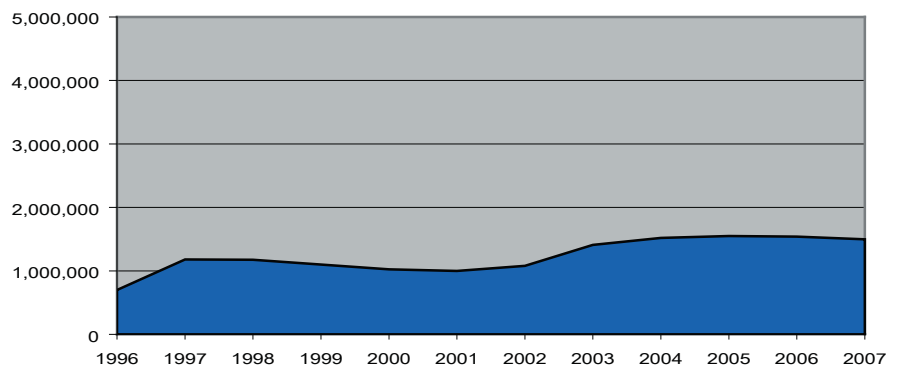
Date Opened: December 8, 1995
Gaming Space: 38,360 sq. ft.
Electronic Gaming Devices: 1,285
Table Games: 51
5 Restaurants
250 room Hotel
Conference Center

FY 2007 Admissions: 1,497,489
FY 2007 Total Taxes: \$33,972,056
FY 2007 Local Development
Agreement Payments: \$4,968,270

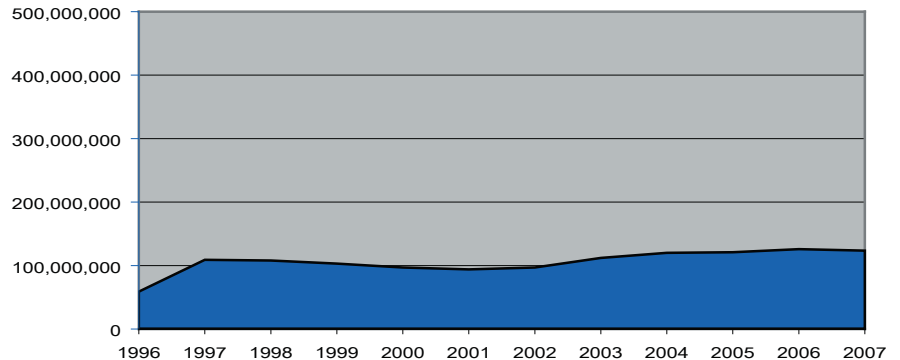
Total Employment: 947
Minority Employment: 17%
County Employment: 73%
Indiana Employment: 90%



Yearly Turnstile Admissions Since Inception (FY)



Yearly Win Since Inception in Dollars (FY)



French Lick

Chris Leininger
General Manager

8670 W. State Road 56
French Lick, IN 47432
(812)936-5909

Date Opened: November 1, 2006
Gaming Space: 42,000 sq. ft.
Electronic Gaming Devices: 1,202
Table Games: 44
443 room and 246 room Hotels
Championship Golf Course
3 Restaurants

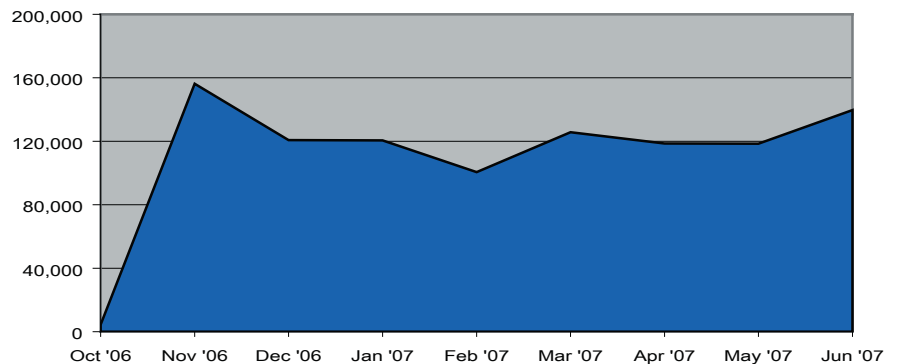
FY 2007 Admissions: 1,005,122
FY 2007 Total Taxes: \$17,514,064
FY 2007 Local Development
Agreement Payments: \$1,319,229

Total Employment: 1,581
Minority Employment: 5%
County Employment: 56%
Indiana Employment: 98%

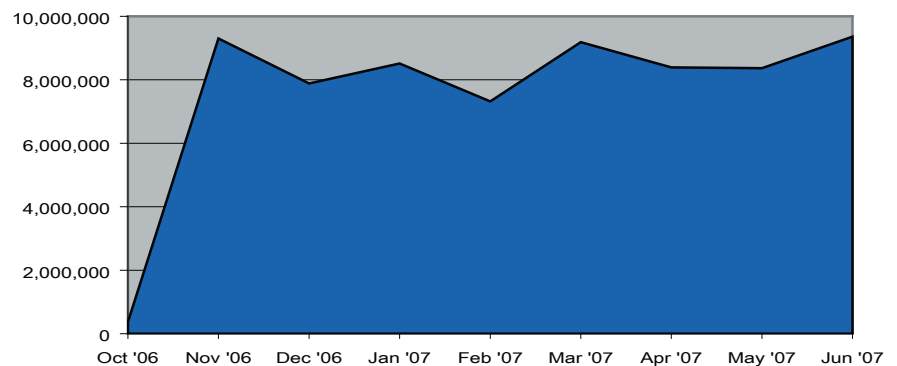
* Months are displayed instead of years due to French Lick's recent opening.



Monthly Turnstile Admissions Since Inception*



Monthly Win Since Inception in Dollars*



Grand Victoria

Steve Jimenez
General Manager

600 Grand Victoria Drive
Rising Sun, IN 47040
(812) 438-5013

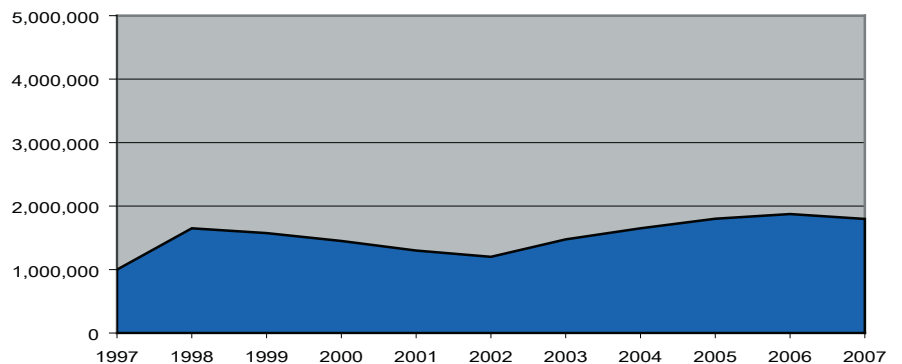
Date Opened: October 4, 1996
Gaming Space: 40,000 sq. ft.
Electronic Gaming Devices: 1,437
Table Games: 43
6 Restaurants
201 room Hotel
18-hole Championship golf course

FY 2007 Admissions: 1,797,937
FY 2007 Total Taxes: \$42,840,600
FY 2007 Local Development
Agreement Payments: \$2,398,740

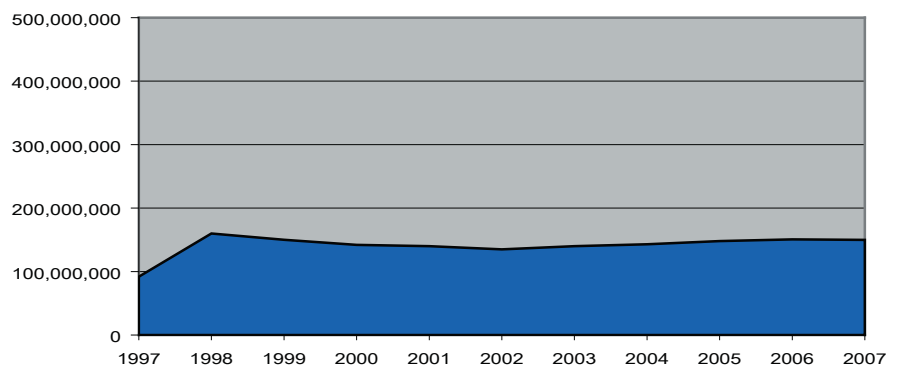
Total Employment: 991
Minority Employment: 3%
County Employment: 29%
Indiana Employment: 84%



Yearly Turnstile Admissions Since Inception (FY)



Yearly Win Since Inception in Dollars (FY)



Horseshoe

Rick Mazer
General Manager

777 Casino Center Drive
Hammond, IN 46320
(219) 473-6000

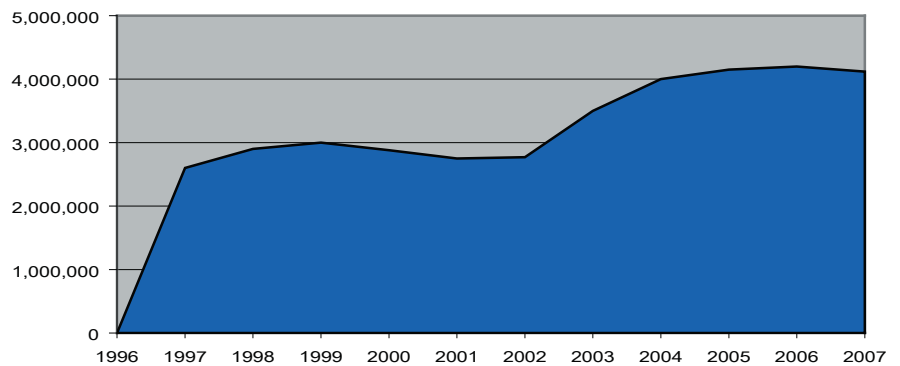
Date Opened: June 29, 1996
Gaming Space: 46,679 sq. ft.
Electronic Gaming Devices: 1,948
Table Games: 58
5 Restaurants
Banquet and meeting space

FY 2007 Admissions: 4,118,085
FY 2007 Total Taxes: \$152,950,969
FY 2007 Local Development
Agreement Payments: \$52,326,574

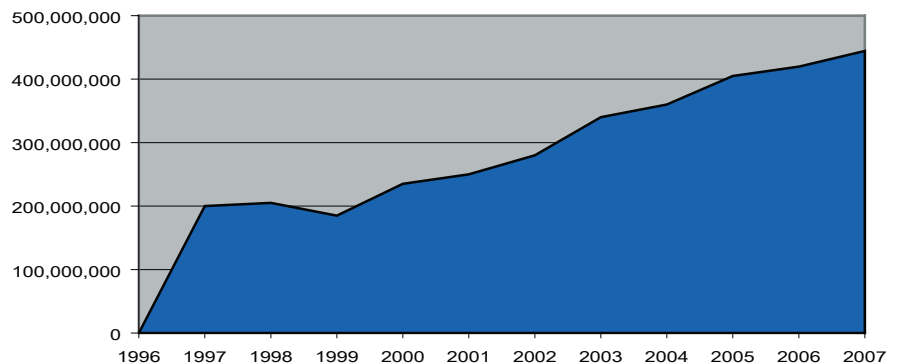
Total Employment: 2,255
Minority Employment: 60%
County Employment: 64%
Indiana Employment: 71%



Yearly Turnstile Admissions Since Inception (FY)



Yearly Win Since Inception in Dollars (FY)



Majestic Star I

David Schugar
General Manager

One Buffington Harbor Drive
Gary, IN 46406
(219) 977-7777

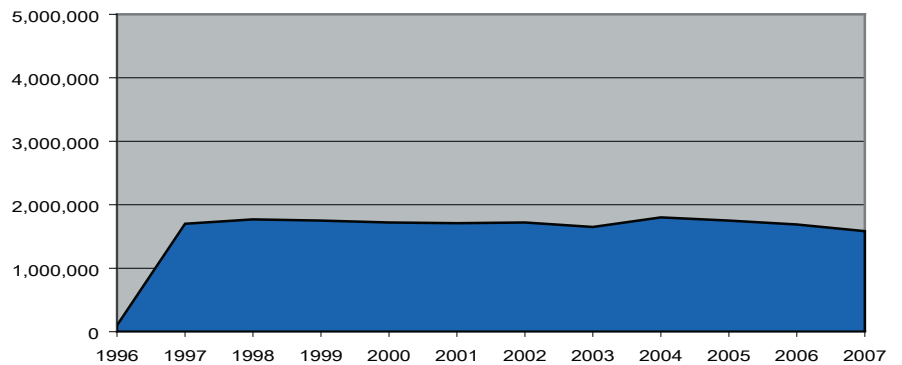
Date Opened: June 11, 1996
Gaming Space: 43,000 sq. ft.
Electronic Gaming Devices: 1,215
Table Games: 49
5 Restaurants

FY 2007 Admissions: 1,583,258
FY 2007 Total Taxes: \$38,694,372
FY 2007 Local Development
Agreement Payments: \$3,164,689

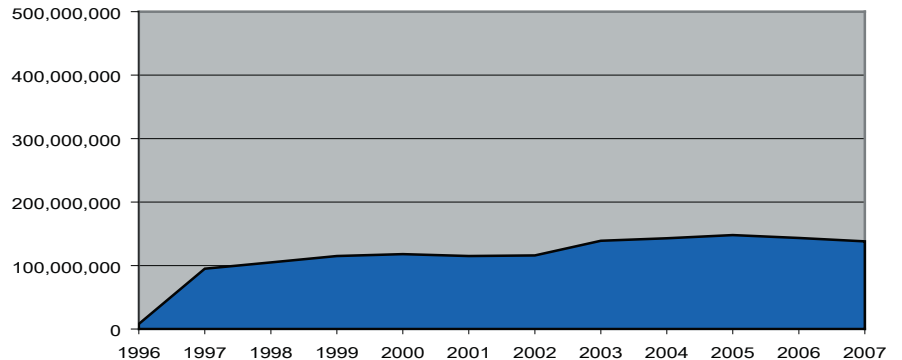
Total Employment: 1,140
Minority Employment: 75%
County Employment: 75%
Indiana Employment: 89%



Yearly Turnstile Admissions Since Inception (FY)



Yearly Win Since Inception in Dollars (FY)



Majestic Star II

David Schugar
General Manager

One Buffington Harbor Drive
Gary, IN 46406
(219) 977-7777

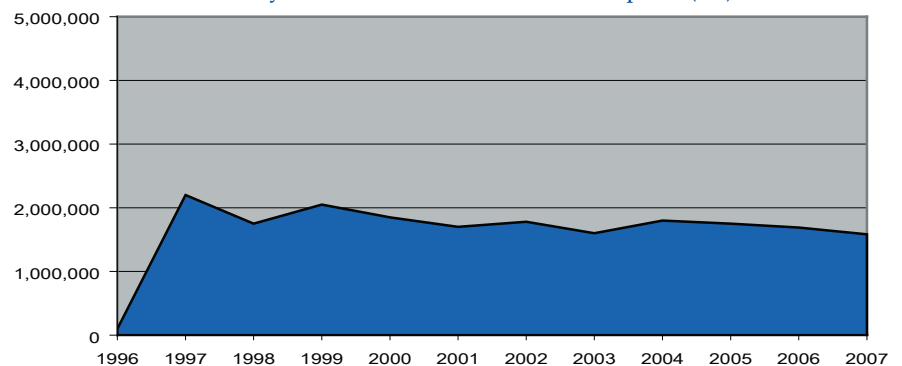
Date Opened: June 11, 1996
Gaming Space: 40,261 sq. ft.
Electronic Gaming Devices: 1,320
Table Games: 37
4 Restaurants
300 hotel rooms

FY 2007 Admissions: 1,583,258
FY 2007 Total Taxes: \$31,928,562
FY 2007 Local Development
Agreement Payments: \$2,930,905

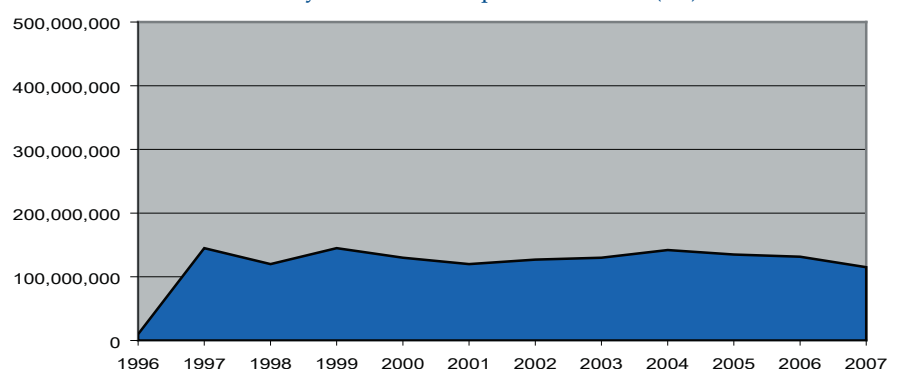
Total Employment: 649
Minority Employment: 74%
County Employment: 79%
Indiana Employment: 89%



Yearly Turnstile Admissions Since Inception (FY)



Yearly Win Since Inception in Dollars (FY)



Resorts East Chicago

Joe DeRosa
General Manager

777 Harrah's Blvd
East Chicago, IN 46312
(877) 496-1777

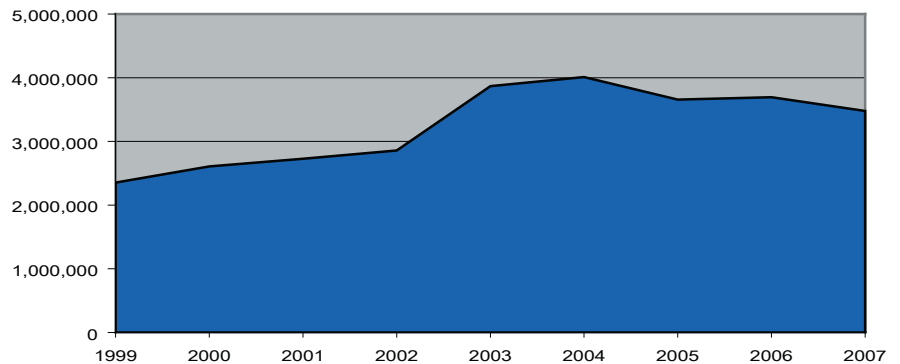
Date Opened: April 18, 1997
Gaming Space: 53,492 sq. ft.
Electronic Gaming Devices: 1,903
Table Games: 76
5 Restaurants
291 room Hotel

FY 2007 Admissions: 3,477,317
FY 2007 Total Taxes: \$107,786,413
FY 2007 Local Development
Agreement Payments: \$12,070,612

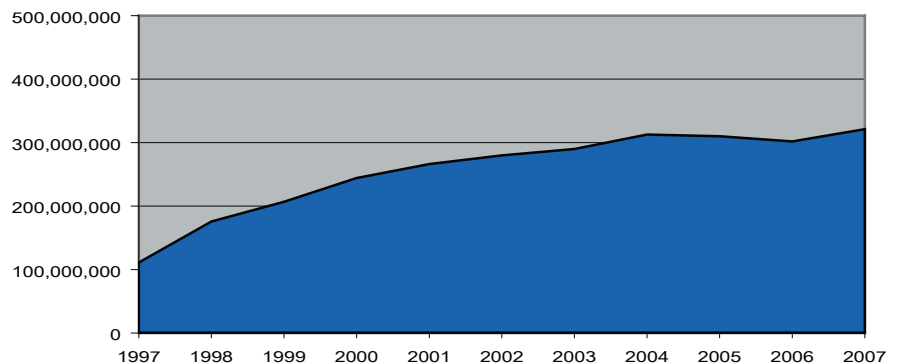
Total Employment: 1,637
Minority Employment: 64%
County Employment: 78%
Indiana Employment: 86%



Yearly Turnstile Admissions Since Inception (FY)



Yearly Win Since Inception in Dollars (FY)



RIVERBOAT REVENUE COMPARISON

This chart, along with the following pages, summarizes the status of riverboat gaming in select jurisdictions with similar gaming operations.

	AGR	Gaming Space (Square Footage)	Admissions	Riverboats
Mississippi	\$2,808,924,601	1,197,970	10,171,043	27
Indiana	\$2,663,955,493	573,492	27,537,337	11
Illinois	\$1,923,528,409	285,035	16,180,360	9
Louisiana	\$1,781,964,944	415,000	25,485,245	15
Missouri	\$1,465,658,073	699,800	47,019,229	11
Iowa	\$860,076,528	359,438	15,085,924	14

	Total Taxes	Admissions Tax	Wagering Tax	Highest Marginal Rate
Indiana	\$851,480,687	\$3 or \$4	Graduated	35% AGR > \$150M
Illinois	\$830,239,764	Graduated, \$2-\$3	Graduated	50% AGR > \$200M
Missouri	\$387,170,073	\$2	Flat	20%
Louisiana	\$383,122,463	None	Flat or Graduated	21.5%
Mississippi	\$332,285,489	None	Flat	12%
Iowa	\$175,235,736	None	Graduated	22% AGR > \$3M

Illinois Gaming Board



160 North LaSalle, Suite 300
Chicago, Illinois 60601
(312) 814-4700

Mark Ostrowski
Administrator

The Illinois Gaming Board provides regulatory oversight to the riverboat casinos in the form of audit, legal, enforcement, investigative and financial analysis activities. They are assisted in their enforcement and investigative duties by a division of the Illinois State Police.

Overview of Illinois Riverboat Gaming

Number of Boats	9
Total Square Footage	285,035
Total Admissions (FY 2007)	16,180,360
Adjusted Gross Revenue (FY 2007)	\$1,923,528,409
per Admission	\$119
per Square Foot	\$6,748
Taxes Collected (FY 2007)	\$830,239,764
State	\$717,881,351
Local	\$112,358,413

Tax Schedule

Graduated admissions tax based on previous calendar year admissions totals:

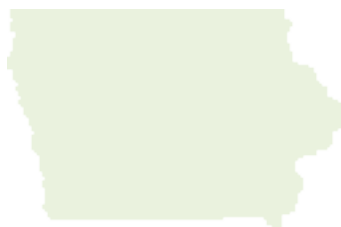
- \$2 for one million visitors or less;
- \$3 for more than one million visitors.

A graduated wagering tax:

- 15% of AGR up to and including \$25 million;
- 22.5% of AGR in excess of \$25 million but not exceeding \$50 million;
- 27.5% of AGR in excess of \$50 million but not exceeding \$75 million;
- 32.5% of AGR in excess of \$75 million but not exceeding \$100 million;
- 37.5% of AGR in excess of \$100 million but not exceeding \$150 million;
- 45% of AGR in excess of \$150 million but not exceeding \$200 million;
- 50% of AGR in excess of \$200 million.

An amount equal to 5% of the AGR and \$1 of the admission tax is credited to local government.

Iowa Racing and Gaming Commission



717 East Court, Suite B
Des Moines, IA 50309
(515) 281-7352

Jack P. Ketterer
Administrator

The Iowa Racing and Gaming Commission regulates riverboat gaming and Pari-mutuel Track Gaming. The Commission contracts with state troopers to provide enforcement duties, and is reimbursed by the riverboats for enforcement costs.

Overview of Iowa Riverboat Gaming

Number of Boats	14
Total Square Footage	359,438
Total Admissions (FY 2007)	15,085,924
Adjusted Gross Revenue (FY 2007)	\$860,076,528
per Admission	\$57
per Square Foot	\$2,392
Taxes Collected (FY 2007)	\$175,235,736
State	\$166,634,970
Local	\$8,600,766

Tax Schedule

No admissions tax.

A graduated wagering tax:

- 5% of AGR up to \$1 million;
- 10% of AGR between \$1 million and \$3 million;
- 22% of AGR above \$3 million.

Of this, 1% of AGR is distributed to local government.

Louisiana Gaming Control Board



9100 Bluebonnet Centre Boulevard, Ste. 5 H. Charles Gaudin
Baton Rouge, LA 70809 *Chairman*
(225) 295-8450

The Louisiana Gaming Control Board shares responsibility for riverboat gaming with the Louisiana State Police Gaming Enforcement Division. It is also responsible for all other aspects of gaming in Louisiana, including video gaming machines, racetracks, and a single land-based casino.

Overview of Louisiana Riverboat Gaming

Number of Boats	15
Total Square Footage	415,000*
Total Admissions (FY 2007)	25,485,245
Adjusted Gross Revenue (FY 2007)	\$1,781,964,944
per Admission	\$70*
per Square Foot	\$4,294*
Taxes Collected (FY 2007)	\$383,122,463
State	<i>Due to the complexity of Louisiana law, the</i>
Local	<i>exact distribution cannot be determined.</i>

Tax Schedule

No admissions tax.

A graduated wagering tax for Bally's Casino:

- 18.5% of AGR up to \$6 million per month;
- 20.5% of AGR between \$6 million and \$8 million per month;
- 21.5% of AGR above \$8 million per month.

A flat wagering tax for all other licensees:

- 21.5% of AGR.

* Figure is an estimate due to the fact that only 13 of the 15 riverboats are operable due to Hurricanes Katrina and Rita.



Mississippi Gaming Commission

P.O. Box 23577
Jackson, MS 39225
(601) 576-3800

Larry Gregory
Executive Director

The Mississippi Gaming Commission covers riverboat gaming as well as charitable gaming activities. The Commission is charged with both regulation and enforcement duties.

Overview of Mississippi Riverboat Gaming

Number of Boats	27
Total Square Footage	1,197,970
Total Admissions (FY 2007)	10,171,043
Adjusted Gross Revenue (FY 2007)	\$2,808,924,601
per Admission	\$73.01
per Square Foot	\$2,345
Taxes Collected (FY 2007)	\$332,285,489
State	\$221,846,915
Local	\$110,438,573

Tax Schedule

No admissions tax.

A flat wagering tax:

- 8% of AGR to state government;
- 4% of AGR to local government.

Missouri Gaming Commission



3417 Knipp Drive, Box 1847
Jefferson City, MO 65109
(573) 526-4080

Gene McNary
Executive Director

The Missouri Gaming Commission regulates riverboat gaming and charitable bingo. The Commission contracts with the Missouri Highway Patrol to provide enforcement and regulatory services, although the salaries of enforcement officers are paid from the Commission budget.

Overview of Missouri Riverboat Gaming

Number of Boats	11
Total Square Footage	699,800
Total Admissions (FY 2007)	47,019,229
Adjusted Gross Revenue (FY 2007)	\$1,465,658,073
per Admission	\$31
per Square Foot	\$2,094
Taxes Collected (FY 2007)	\$387,170,073
State	\$340,150,844
Local	\$47,019,229

Tax Schedule

An admissions tax of \$2:

- \$1 to state government;
- \$1 to local government.

A flat wagering tax:

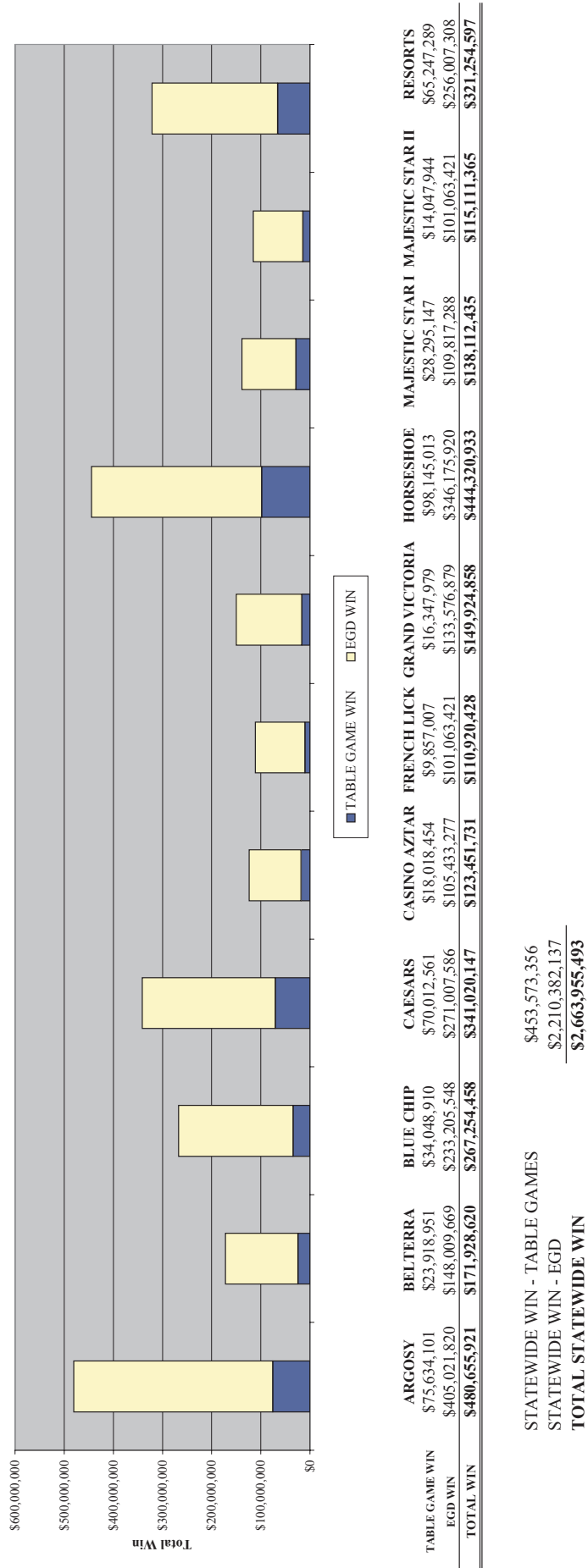
- 20% of AGR.

10% of the wagering tax (2% of AGR) is transferred to local government.

Appendix

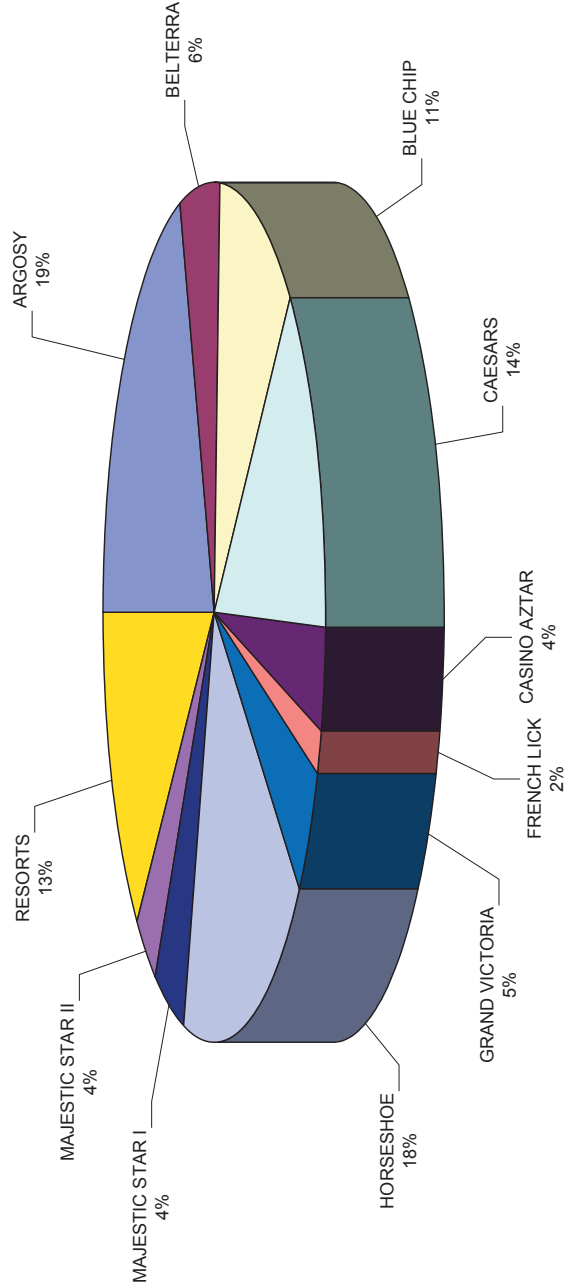
Note: Due to rounding, figures may differ slightly from those published elsewhere.

2007 TOTAL WIN PER RIVERBOAT

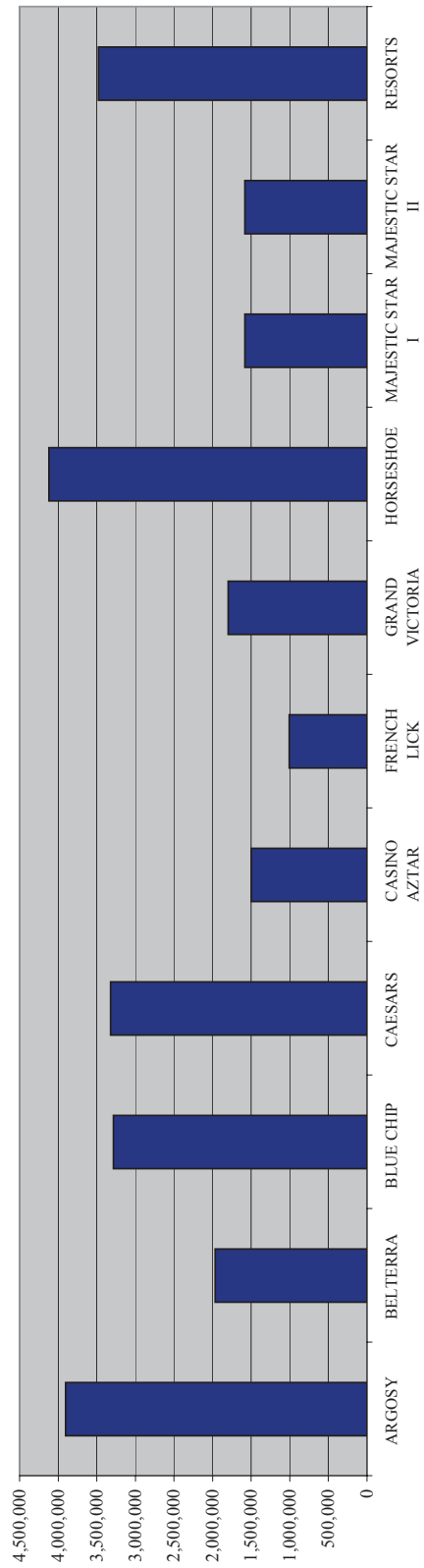


2007 WAGERING TAX REPORTED

TAX REPORTED	ARGOSY	BELTERRA	BLUE CHIP	CAESARS	CASINO AZTAR	FRENCH LICK	GRAND VICTORIA	HORSESHOE	MAJESTIC STAR I	MAJESTIC STAR II	RESORTS	GRAND TOTAL
JULY	7,088,352	2,138,812	3,819,279	4,707,509	1,674,361	0	2,174,979	6,075,146	1,731,172	1,431,935	4,122,608	34,944,152
AUGUST	9,606,697	2,691,342	4,896,172	5,785,800	1,665,233	0	1,970,735	7,555,424	1,631,384	1,428,971	5,319,382	42,551,139
SEPTEMBER	11,957,831	3,034,028	5,983,286	7,393,458	1,996,399	0	2,527,341	11,188,714	2,019,282	1,579,988	6,468,436	54,148,762
OCTOBER	11,828,847	3,216,609	6,755,610	8,444,055	2,127,577	56,325	2,491,546	11,260,106	2,108,597	1,758,952	8,458,920	58,507,144
NOVEMBER	13,674,664	3,232,353	6,887,021	8,336,452	2,115,254	1,411,266	2,846,914	12,138,737	2,333,888	1,775,959	7,276,267	62,028,755
DECEMBER	14,522,065	4,348,535	7,203,948	9,748,458	2,631,858	1,196,011	3,224,928	12,470,878	2,880,231	2,091,179	8,919,478	69,237,568
JANUARY	13,716,375	4,048,390	7,160,582	9,303,789	2,420,885	2,663,602	3,774,209	12,856,311	3,038,322	2,351,033	9,865,571	71,199,068
FEBRUARY	12,874,682	4,043,857	7,209,967	10,092,392	2,969,602	1,327,680	3,193,046	13,465,247	3,590,075	2,348,466	9,266,190	70,381,204
MARCH	15,698,733	4,752,281	9,594,241	11,271,199	3,419,818	1,470,979	4,224,268	14,436,650	3,952,251	3,326,098	10,758,196	82,904,713
APRIL	14,074,449	4,391,356	8,584,681	9,559,482	3,031,715	1,847,365	3,792,700	13,125,440	3,600,169	3,009,070	9,337,923	74,354,350
MAY	13,830,563	4,326,913	8,500,705	9,981,136	2,835,818	1,735,321	3,626,563	13,201,096	3,640,676	3,108,999	8,822,907	73,610,697
JUNE	14,318,154	4,934,509	8,593,309	10,226,113	2,591,067	2,090,989	3,599,560	12,822,966	3,418,571	2,968,139	8,738,586	74,301,963
TOTAL	\$153,171,412	\$45,158,983	\$85,188,799	\$104,849,844	\$29,479,589	\$13,799,538	\$37,446,789	\$140,596,714	\$33,944,598	\$27,178,788	\$97,354,462	\$768,169,516



TOTAL ADMISSIONS PER RIVERBOAT - FY 2007



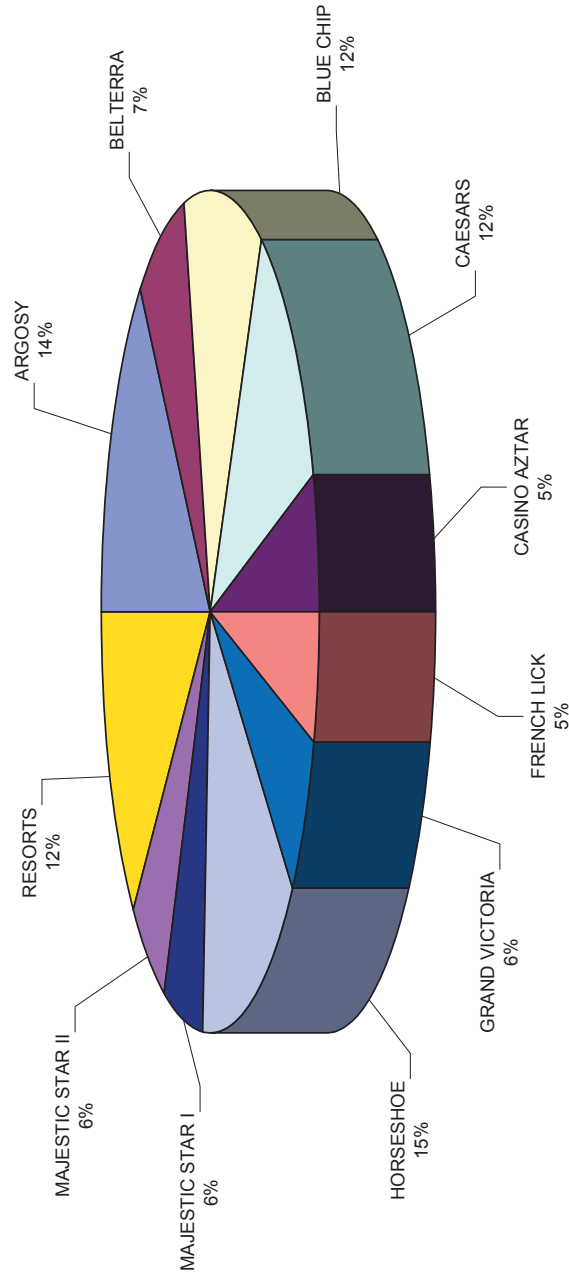
	ARGOSY	BELTERRA	BLUE CHIP	CAESARS	CASINO AZTAR	FRENCH LICK	GRAND VICTORIA	HORSESHOE	MAJESTIC STAR I	MAJESTIC STAR II	RESORTS
ADMISSIONS	3,903,885	1,966,663	3,284,646	3,319,677	1,497,489	1,005,122	1,797,937	4,118,085	1,583,258	1,583,258	3,477,317

TOTAL ADMISSIONS FOR ALL RIVERBOATS

27,537,337

2007 ADMISSION TAX REPORTED

TAX REPORTED	ARGOSY	BELTERRA	BLUE CHIP	CAESARS	CASINO AZTAR	FRENCH LICK*	VICTORIA	HORSESHOE	MAJESTIC STAR I	MAJESTIC STAR II	RESORTS	GRAND TOTAL
JULY	1,084,167	545,187	952,971	937,716	434,280	0	539,211	1,046,469	443,454	443,454	965,724	7,392,633
AUGUST	1,008,378	504,828	862,983	849,402	394,941	0	485,676	992,697	428,841	428,841	910,941	6,867,528
SEPTEMBER	1,002,420	489,420	851,304	827,040	393,843	0	481,245	988,920	398,253	398,253	872,199	6,702,897
OCTOBER	971,853	480,240	784,554	834,933	377,610	17,972	453,978	977,550	374,109	374,109	922,281	6,569,189
NOVEMBER	921,309	443,646	798,786	756,303	349,176	625,052	409,731	968,457	360,711	360,711	864,351	6,858,233
DECEMBER	988,347	484,776	833,694	823,584	384,384	483,068	426,813	1,055,151	386,505	386,505	836,964	7,089,791
JANUARY	990,580	464,289	735,780	795,282	376,260	482,092	432,888	1,053,099	400,839	400,839	903,483	6,995,431
FEBRUARY	862,014	456,957	657,900	808,512	352,623	402,336	360,720	934,419	361,956	361,956	759,441	6,318,834
MARCH	1,059,123	574,773	921,945	913,608	414,411	502,948	485,202	1,148,121	435,594	435,594	892,791	6,724,987
APRIL	960,126	496,335	821,316	822,270	356,136	474,476	442,542	1,088,352	385,737	385,737	854,508	6,127,409
MAY	937,863	462,666	820,035	810,153	332,637	473,796	425,889	1,066,029	391,614	391,614	821,862	6,934,158
JUNE	985,475	496,872	812,670	780,228	326,166	558,748	449,916	1,034,991	382,161	382,161	827,406	7,016,794
TOTAL	\$11,711,655	\$5,899,989	\$9,853,938	\$9,959,031	\$4,492,467	\$4,020,488	\$5,393,811	\$12,354,255	\$4,749,774	\$4,749,774	\$10,431,951	\$83,617,133



* Admission Tax at French Lick Casino is \$4

GAMING OPERATIONS - FY 2007

EGD SUMMARY

EGD'S	UNITS*	COIN IN	WIN
1 CENT	3,794	3,389,556,853	395,541,412
2 CENT	1563	1,363,497,594	159,619,674
3 CENT	53	18,717,114	2,426,499
5 CENT	3,190	3,681,411,933	400,862,929
10 CENT	163	272,933,973	28,539,303
25 CENT	4,348	6,163,461,285	465,265,503
50 CENT	856	1,193,743,894	102,828,590
\$1	3,934	7,862,305,545	512,101,107
\$2	46	139,481,538	5,363,999
\$5	525	1,837,450,803	89,750,068
\$10	41	191,286,690	8,159,796
\$20	N/A	20,231,020	665,401
\$25	64	261,173,545	9,733,107
\$100	22	120,450,700	6,328,836
\$500	1	292,000	6,600
Other **	0	\$0	77,480
TOTAL	18,600	\$26,515,994,487	\$2,187,270,304

* As of June 30, 2007

** Tournament receipts

Totals may include minor variations due to rounding.

TABLE GAMES SUMMARY

TABLE GAMES	UNITS*	DROP	WIN
Baccarat	42	310,001,929	48,006,172
Big Six	1	1,912,487	954,265
Blackjack/21	312	1,238,947,304	176,362,029
Craps	45	412,242,070	79,145,415
Poker ***	103	333,108,845	73,387,360
Poker Room **	137	36,960,740	36,960,745
Roulette	41	149,729,349	37,857,569
Other****	0	0	899,801
TOTAL	681	\$2,482,902,724	\$453,573,356

* As of June 30, 2007

** Traditional Poker

*** Includes Caribbean Stud, Let It Ride, Pai Gow,

3 Card, Boston 5 Stud, 3-5-7, Wild Hold Em Fold

Em, Crazy 4, and 2-2-1

**** Tournament receipts

TAX COMPARISON OF FY 2007 TO FY 2006

WAGERING TAX	FY 2006	FY 2007	DIFFERENCE	%
July	35,190,246	34,944,152	(246,094)	-0.70%
August	39,856,246	42,551,139	2,694,893	6.76%
September	48,396,563	54,148,762	5,752,199	11.89%
October	53,771,448	58,507,144	4,735,696	8.81%
November	57,524,241	62,028,755	4,504,514	7.83%
December	57,805,401	69,237,568	11,432,167	19.78%
January	68,361,094	69,863,146	1,502,052	2.20%
February	73,570,492	70,524,503	(3,045,988)	-4.14%
March	77,438,866	83,281,100	5,842,234	7.54%
April	70,979,860	74,242,306	3,262,446	4.60%
May	70,186,975	73,966,364	3,779,388	5.38%
June	68,955,220	74,568,615	5,613,395	8.14%
TOTAL	\$722,036,653	\$767,863,554	\$45,826,901	6.35%

ADMISSIONS TAX	FY 2006	FY 2007	DIFFERENCE	%
July	7,644,900	7,392,633	(252,267)	-3.30%
August	6,871,188	6,867,528	(3,660)	-0.05%
September	6,419,487	6,702,897	283,410	4.41%
October	6,716,814	6,569,189	(147,625)	-2.20%
November	6,194,253	6,858,233	663,980	10.72%
December	6,044,979	7,089,791	1,044,812	17.28%
January	6,853,137	6,995,431	142,294	2.08%
February	6,974,946	6,318,834	(656,112)	-9.41%
March	7,261,851	7,784,110	522,259	7.19%
April	6,804,348	7,087,535	283,187	4.16%
May	6,758,244	6,934,158	175,914	2.60%
June	6,636,192	7,016,794	380,602	5.74%
TOTAL	\$81,180,339	\$83,617,133	\$2,436,794	3.00%

2007 SUMMARY OF TABLE GAME ACTIVITY

As reported for the year ended June 30, 2007

UNITS*	ARGOSY	BELTERRA	BLUE CHIP	CAESARS	CASINO AZTAR	FRENCH LUCK	GRAND VICTORIA	HORSESHOE	MAJESTIC STAR I	MAJESTIC STAR II	RESORTS
Baccarat	3	N/A	2	2	N/A	N/A	N/A	13	10	N/A	12
Big Six	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Black Jack	37	28	32	53	24	21	22	26	26	9	34
Craps	6	4	4	7	4	3	3	6	2	2	4
Poker***	20	10	11	14	8	6	8	8	9	3	6
Poker Room**	15	12	8	33	12	12	8	N/A	N/A	21	16
Roulette	7	3	5	6	3	2	2	5	2	2	4
TOTAL	89	57	62	115	51	44	43	58	49	37	76
DROP											
Baccarat	11,558,678	215,345	12,822,799	11,357,580	N/A	0	N/A	152,010,144	39,079,031	0	82,958,352
Big Six	1,398,865	N/A	N/A	336,345	177,277	N/A	N/A	N/A	N/A	N/A	N/A
Black Jack	179,630,703	80,115,023	96,938,269	184,592,859	43,852,395	27,588,290	42,756,158	284,531,883	88,235,151	18,006,279	192,699,294
Craps	59,679,994	27,750,513	21,904,881	60,668,766	16,181,958	9,307,867	19,620,287	115,394,895	18,152,850	10,572,823	53,007,236
Poker***	72,747,453	23,320,073	33,531,858	53,215,134	18,212,354	10,669,371	16,290,325	50,762,903	25,735,327	6,169,940	22,454,107
Poker Room**	7,227,142	1,282,635	1,873,470	7,215,313	2,293,702	736,440	803,255	0	0	7,248,198	8,280,585
Roulette	29,412,240	6,914,357	10,896,372	25,213,318	6,374,772	3,426,576	3,954,191	32,462,792	7,950,437	4,106,223	19,018,071
TOTAL	361,655,075	139,597,946	177,968,649	342,599,315	87,092,458	51,728,544	83,424,216	635,162,617	179,152,796	46,103,463	378,417,645
WIN											
Baccarat	2,390,772	-16,530	1,798,975	1,779,822	N/A	N/A	N/A	23,074,548	6,454,048	0	12,524,537
Big Six	722,275	N/A	N/A	142,596	89,394	N/A	N/A	N/A	N/A	N/A	N/A
Black Jack	28,695,541	11,385,195	13,453,062	28,887,992	6,836,112	3,577,360	6,832,708	37,271,327	10,419,717	2,178,883	26,824,132
Craps	12,984,080	4,749,357	4,780,689	13,262,807	3,546,376	1,924,684	4,121,021	19,725,715	3,988,453	2,192,623	7,869,610
Poker***	15,242,202	4,890,301	9,059,586	12,844,939	3,696,182	2,612,549	3,568,619	9,981,013	5,419,091	941,225	5,131,653
Poker Room**	7,227,142	1,282,635	1,873,470	7,215,313	2,293,707	736,440	803,255	0	0	7,248,198	8,280,585
Roulette	8,202,149	1,627,993	3,083,128	5,852,707	1,556,683	907,663	995,131	8,092,410	2,013,838	1,001,315	4,524,552
Other	169,940	0	0	26,385	0	98,311	27,245	0	0	485,700	92,220
TOTAL	75,634,101	23,918,951	34,048,910	70,012,561	18,018,454	9,857,007	16,347,979	98,145,013	28,295,147	14,047,944	65,247,289

* As of 6/30/07

** Traditional Poker

*** Includes Caribbean Stud/Draw, Let It Ride, Pai Gow, 3 Card, Boston 5 Stud, 3-5-7, Wild Hold em Fold Em, Crazy 4, and 2-2-1

Totals may include minor variations due to rounding

2007 SUMMARY OF EGD ACTIVITY

As reported for the fiscal year ended June 30, 2007

UNITS*	ARGOSY	BELTERRA	BLUE CHIP	CAESARS	CASINO	FRENCH	GRAND	HORSHOE	MAJESTIC	MAJESTIC	STAR II	RESORTS
1 cent	329	506	252	550	247	423	450	N/A	480	242	315	
2 cent	329	46	176	126	76	220	N/A	117	109	246	118	
3 cent	N/A	N/A	N/A	N/A	N/A	N/A	N/A	53	N/A	N/A	N/A	
nickel	357	160	519	301	223	81	263	451	126	247	462	
10 cent	145	N/A	N/A	N/A	N/A	N/A	N/A	14	N/A	N/A	4	
25 cent	493	425	588	505	310	287	315	482	252	350	341	
50 cent	204	119	24	45	74	36	69	153	16	16	100	
\$1	436	359	529	445	261	142	283	598	203	192	486	
\$2	N/A	N/A	N/A	N/A	69	N/A	50	23	12	12	11	
\$5	94	43	53	66	69	10	50	48	21	15	56	
\$10	14	10	N/A	N/A	17	N/A	N/A	N/A	N/A	N/A	N/A	
\$20	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
\$25	13	7	6	5	6	2	6	5	8	N/A	6	
\$100	3	4	1	2	2	1	1	4	N/A	N/A	4	
\$500	N/A	N/A	N/A	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
TOTAL	2,417	1,679	2,148	2,046	1,285	1,202	1,437	1,948	1,215	1,320	1,903	
COIN IN												
1 cent	350,947,662	412,340,942	196,478,068	533,489,262	203,190,742	174,133,635	436,266,678	12,577,277	435,483,353	187,297,092	447,352,142	
2 cent	485,073,439	58,924,218	113,005,422	142,823,018	41,439,282	115,490,973	N/A	45,993,896	65,037,801	180,373,198	135,336,347	
3 cent	N/A	N/A	N/A	N/A	N/A	N/A	N/A	18,717,114	N/A	N/A	N/A	
nickel	486,432,528	168,146,868	515,566,762	414,707,575	166,064,287	48,705,600	143,576,362	675,771,286	180,953,164	184,181,281	697,306,220	
10 cent	237,740,900	N/A	N/A	N/A	0	0	0	18,961,641	0	2,147,276	14,084,156	
25 cent	955,239,619	516,875,383	908,225,463	898,528,061	248,448,040	155,330,345	393,445,974	1,012,066,238	262,948,318	397,844,011	414,509,633	
50 cent	386,711,965	98,155,480	37,980,236	108,632,283	54,600,541	26,553,658	51,988,329	273,932,660	48,968,318	16,654,348	89,566,076	
\$1	1,604,118,438	430,361,463	1,163,744,879	842,763,778	324,231,284	134,695,731	479,919,506	1,571,985,337	303,824,071	249,502,986	757,158,062	
\$2	N/A	N/A	N/A	N/A	0	0	0	108,413,638	1,039,278	17,929,566	12,099,056	
\$5	634,442,740	108,031,465	218,169,245	269,496,896	103,998,762	20,276,835	110,972,420	219,068,960	26,526,240	27,259,300	99,207,940	
\$10	95,401,090	23,445,200	18,120,340	13,727,140	23,283,960	0	0	0	0	0	17,308,960	
\$20	N/A	N/A	N/A	20,231,020	0	0	0	0	0	0	0	
\$25	131,797,100	15,974,000	37,799,125	4,108,070	12,373,325	3,905,925	18,439,150	19,294,375	6,454,250	287,925	10,740,300	
\$100	39,832,900	16,690,300	7,187,900	19,610,600	13,529,500	1,690,900	4,602,300	12,372,100	447,000	0	4,487,200	
\$500	N/A	N/A	N/A	292,000	0	0	0	0	0	0	0	
other	N/A	N/A	N/A	0	0	0	0	0	0	0	0	
TOTAL	5,387,738,381	1,848,945,319	3,216,277,440	3,268,408,703	1,191,159,723	680,783,602	1,639,210,719	3,989,154,522	1,331,681,793	1,263,476,993	2,699,156,292	
WIN												
1 cent	42,859,226	46,694,135	26,826,552	63,257,586	23,451,060	19,138,164	41,907,519	1,623,675	50,633,403	22,264,874	56,885,218	
2 cent	51,637,341	6,160,105	15,146,002	17,978,832	4,920,840	10,922,902	N/A	5,811,397	7,316,234	22,067,069	17,658,952	
3 cent	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,426,499	N/A	N/A	N/A	
nickel	51,920,752	15,075,862	60,805,965	44,093,768	19,309,568	4,442,260	17,009,214	83,000,624	11,547,394	17,292,505	76,365,017	
10 cent	24,190,163	0	0	0	0	0	0	2,616,655	0	240,107	1,492,378	
25 cent	70,951,271	33,558,627	64,620,318	58,390,266	22,728,878	11,465,855	29,461,213	97,184,918	17,973,961	24,052,541	34,877,655	
50 cent	31,364,416	7,894,745	2,387,022	10,468,601	4,864,359	2,295,763	4,777,959	26,254,831	2,166,358	1,471,189	8,883,347	
\$1	97,826,958	28,353,005	71,226,752	61,046,492	21,622,720	9,078,355	33,027,126	108,330,594	18,589,263	12,056,632	50,943,210	
\$2	N/A	0	0	0	0	0	0	4,005,559	27,567	682,846	648,027	
\$5	26,773,024	7,087,094	8,800,758	13,150,879	6,095,758	1,144,959	6,143,918	12,356,102	1,201,383	899,130	6,087,533	
\$10	2,939,261	1,004,229	1,002,520	868,361	1,172,851	0	0	58,991	0	0	1,113,583	
\$20	0	0	0	0	0	0	0	0	0	0	0	
\$25	3,555,427	688,801	1,305,819	326,942	741,417	290,300	865,030	977,556	310,500	36,528	634,787	
\$100	926,501	1,483,066	201,420	753,858	526,296	55,540	384,900	1,528,519	51,225	0	417,601	
\$500	0	0	0	6,600	0	0	0	0	0	0	0	
other	77,480	0	0	0	0	0	0	0	0	0	0	
TOTAL	405,021,820	148,009,669	252,323,128	271,007,586	105,433,277	58,834,008	133,576,879	346,175,920	109,817,288	101,063,421	256,007,308	

* as of 6/30/07

Totals may include minor variations due to rounding.

GRADUATED TAX STATUS - FY 2007

North Boats	Rate	Date of Change
Blue Chip	15%	7/1/2006
	20%	7/31/2006
	25%	9/1/2006
	30%	10/2/2006
	35%	1/10/2007
Horseshoe	15%	7/1/2006
	20%	7/21/2006
	25%	8/12/2006
	30%	9/4/2006
	35%	11/4/2006
Majestic Star I	15%	7/1/2006
	20%	9/7/2006
	25%	11/18/2006
	30%	1/25/2007
	35%	
Majestic Star II	15%	7/1/2006
	20%	9/20/2006
	25%	12/15/2006
	30%	3/3/2007
	35%	
Resorts	15%	7/1/2006
	20%	7/29/2006
	25%	8/28/2006
	30%	9/28/2006
	35%	12/23/2006

<u>AGR</u>	<u>Rate</u>
less than \$25 million	15%
\$25 - \$50 million	20%
\$50 - \$75 million	25%
\$75 - \$150 million	30%
over \$150 million	35%

South Boats	Rate	Date of Change
Argosy	15%	7/1/2006
	20%	7/19/2006
	25%	8/7/2006
	30%	8/26/2006
	35%	10/24/2006
Belterra	15%	7/1/2006
	20%	8/19/2006
	25%	10/10/2006
	30%	12/7/2006
	35%	5/14/2007
Caesars	15%	7/1/2006
	20%	7/27/2006
	25%	8/23/2006
	30%	9/19/2006
	35%	12/10/2006
Casino Aztar	15%	7/1/2006
	20%	9/8/2006
	25%	11/20/2006
	30%	2/4/2007
	35%	
French Lick	15%	10/31/2006
	20%	1/27/2007
	25%	4/27/2007
	30%	
	35%	
Grand Victoria	15%	7/1/2006
	20%	8/26/2006
	25%	10/27/2006
	30%	12/31/2006
	35%	



Matt Parkinson
Summer Intern



Mark Reder
Summer Intern

The Indiana Gaming Commission would like to thank its summer interns, Matt Parkinson and Mark Reder, for their contributions toward the creation of this report.

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